Mergers Acquisitions and Private Equity

Introduction

This course offers a full introduction to the mergers and acquisitions process. It is suitable for analysts and bankers in M&A and corporate finance departments of banks, regulators, or indeed anyone who is thinking of buying a business. This is a practical course that uses case studies and examples throughout. The theoretical basis is the strategy literature. Tools from this are explained at the same level as in MBA programmes. There is no requirement for mathematical knowledge.

Learning Outcomes

- A comprehensive overview of what is involved in the M&A process from start to finish.
- A good technical understanding of tools in strategic fit (at MBA level), valuation of businesses, bid tactics and the accompanying jargon, due diligence and, after purchase, how to go about the implementation and integration process. Numerous case studies and examples are used throughout to illustrate the principles.
- An overview of the private equity industry, its pluses and minuses, and practical issues involved in leveraged buyouts, including management buyouts or buy-ins.

Assessment/ Reading References

Written work and one final examination

Course Contents

Introduction- Chapter 1

Differences between mergers and acquisitions, types and rationale of integration, historical patterns of mergers, differences between the New York and London stock market model and rules on hostile takeovers, compared with practice in other countries, N.B. Germany, Japan, Italy, Scandinavia, Switzerland etc.

Strategy- Chapter 2

Business and corporate strategy, product-market strategy, SWOT analysis, Porter's price or differentiation strategy, differences between alliances and mergers and acquisitions. Divest or attempt a turnaround – what are the factors to consider?

Strategy-Why Mergers Fail- Chapters 2,3

- How to measure performance and tools to align strategic focus with performance: Porter's Value chain, Scenario Planning, Characteristics Mapping. Case studies of businesses that lose their way – the need to adapt to changes in the external environment.
- Overpaying, wrong strategy, poor implementation, difficulties in integrating culture, I.T – why do these keep on recurring?

Valuation-Bid Tactics- Chapters 4, 5

- Tactics for an acquirer and for the defence are outlined and appraised
- Asset based and cash flow based tools are compared and appraised. What is the difference if you pay in shares rather than cash?

Due Diligence-Implementation- Chapters 6,7,8

- The need for strategic due diligence in addition to conventional box-ticking. Checklist of things to do.
- Principles, Stopford's conditions for successful internationalization, case-study of BMW, project management

Private Equity-LBO's- Chapters 9,10

The why and the wherefore, the phenomenal growth and reasons for it, Leveraged buyouts, case studies in success and failure

Lecturer: Jonathan Price

Jonathan Price is a qualified barrister with an extensive experience of international finance in Europe and Asia and Venture Capital Privatization including capital markets, energy and project finance. He set up Business Centre Capital to specialise in finance and investment in business centres and serviced and managed offices. In 2004 under contract to Close Brothers, the UK merchant banking group, subsequently he managed the world's first public fund for investment in business centres. Jonathan successfully bring his own real life experience to LSBF courses in every programme he teaches (Masters, MBA's and Postgraduate Certificates), by exposing students not only to the financial elements but also legal.