

Management
Course Number: 22:620:680
Course Title: Mergers, Acquisitions, and Alliances (MBA)

COURSE DESCRIPTION

This MBA seminar will offer an in-depth look at the strategy behind how business is transacted between corporations. Through discussion of assigned readings, cases, and current examples, we will examine how cooperation is essential to value creation, yet difficult to achieve. We will investigate the common, yet intriguing, managerial decisions about mergers, acquisitions, and alliances and enhance our understanding of general tools for strategic analysis.

COURSE MATERIALS

- There are two types of readings for this course: cases and articles. Most readings are available in a packet available for purchase at <https://hbsp.harvard.edu/import/694330>. If you have already purchased any of these cases from a previous course, you may opt to not purchase those cases (this can be specified on the website above). Other articles are available free through Canvas or the Rutgers Library site at <https://www.libraries.rutgers.edu/>. See the Schedule below for the cases and articles covered during each class session.
 - While there is no textbook, if you have not taken any Strategy courses in the past, you may find a standard textbook in Strategic Management helpful for giving background information.
 - The course page on Canvas is the primary means of communication outside of class sessions, and will contain useful and timely information regarding all sessions and assignments.
 - A regular reading of business and industry periodicals is recommended: (e.g., *The Wall Street Journal*, *The Economist*, *Business Week*, *Forbes*, *Fortune*).
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LEARNING GOALS AND OBJECTIVES

This course is designed to help MBA students develop skills and knowledge in the following areas:

1. Business knowledge: MBA graduates will have a command of business theory and practice.
2. Ethical judgment: MBA graduates will use reasoned and ethical judgment when analyzing problems and making decisions.
3. Global perspective: MBA graduates will have the breadth of perspective necessary to lead effectively and function in a global and diverse business environment.
4. Persuasive communication: MBA graduates will be effective communicators.

By the end of the seminar, students should know (business knowledge) how to analyze the competitive situation of each business involved in a transaction, compare alternative ways to organize the transaction (e.g., multidivisional corporate structure, alliances, and networks), recognize common problems in acquisitions and alliances, and offer solutions appropriate to the perspective of top executives, clearly

communicating the reasoning behind recommendations both verbally and in writing. Students are expected to demonstrate this knowledge in a group presentation, an individual case analysis, and class discussions (persuasive communication).

The primary format will be class discussion of case studies and examples from the business press. Many cases will involve cross-border deals and multinational corporations (global perspective). Each student is responsible to have a detailed understanding of the facts of each assigned case. A strategy case usually considers a critical juncture in the life of a real world company. We are interested in the analysis of what should have informed the company's choices (ethical judgment), and not these choices themselves; thus, students should work purely from the data in the case and not be influenced by what transpired afterwards. Outside information introduced into class discussion prematurely could undermine the learning of others. If you are particularly familiar with the company or industry being discussed, please let me know before class.

Guest speakers will provide insight on a particular company or business process. Since learning from guest speakers comes from direct interaction with them, students are strongly encouraged to attend and participate actively with questions and comments.

CLASS POLICIES

Electronic devices are permitted to be used during class, but I ask that students restrict their usage to activities related to the class (e.g. taking notes, doing in-class exercises, etc.). All other non-class activities (including browsing the web, doing homework, etc.) are prohibited as they can be a distraction from your class participation and attention, as well as a distraction to others in the class.

I expect you to make all of the classes. If you need to miss a class you must inform me in advance and make up the work that you missed in a written format. If you miss a class, it is your responsibility to find out from classmates what materials were covered, what assignments are due, and what (if any) handouts were distributed in class. Unexcused absence from class may result in a lower grade.

Professional conduct is expected at all times:

- a. Treat all participants in the class with respect.
- b. Do not distract others.
- c. If you are unable to comply with these expectations, you will be asked to leave the classroom and will forfeit your Attendance score for that class session.

For weather-related class cancellations, please check the Newark Weather and Campus Operating Status page (<https://www.newark.rutgers.edu/weather-and-campus-operating-status>). Obviously, if the campus is closed due to weather conditions, then class will be canceled. If I have difficulty making it class on time (or at all), even under normal operations, I will attempt to alert you either by email and Canvas the night before, or first thing in the morning of the class. So if the weather appears marginal, please make sure to check your email and Canvas prior to class.

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

CLASS ADMINISTRATION

I make frequent use of the course Canvas site and will post new materials on an ongoing basis. You can access the Canvas with your NetID and password at canvas.rutgers.edu. I urge you to check the site frequently. Materials that I will post include any PowerPoint presentations that I use for lectures, additional readings, and other files or links for the discussion of current topics.

I also use Canvas to post announcements that should go to your email; I therefore expect that you check your email on a regular basis. If you are not receiving emails from me that correspond to announcements showing on the class Canvas site, please let me know and we can figure out how to resolve the issue.

EVALUATION

Seminar Class Participation	25%
Group Project Presentation	20%
Homework (3 case write-ups)	25%
Written Case Analysis (final paper/PP)	<u>30%</u>
Total	100%

Seminar Class Participation: Speaking up and contributing to class is expected. Seminar participants should read assigned material at the level of comprehension at which it is possible to give coherent analyses or be able to ask informed and thought-provoking questions. For case discussion, students should be prepared to discuss the current strategic position, position of the competition, strategic alternatives, and recommended course of action. Most general managers spend very little time reading, and even less time writing reports. The vast majority of their interactions are verbal. This class could be viewed as a laboratory in which you can test and practice your abilities to *listen* carefully and *absorb* ideas as well as *communicate* your own ideas and *convince* others of their correctness and usefulness in the case-defined context. In-class exercises will also be considered as participation. Please bring your notebook computer to each session to facilitate in-class exercises and group work. In general, I will expect computers to be closed when we are in case discussion, but they will be useful at other times.

Homework: Students will submit 3 homework assignments over the course of the semester. Homework will be posted on Canvas at least one week before it is due. Your answer to the assignment should be 1 page submitted via Canvas by () on the day of the class for which the homework is due.

Written Case Analysis (Final Exam, Individual): For the final case of the semester, each student will write a complete, 10- to 15-page analysis. Guidelines for the case analysis will be posted on Canvas. I will grade the paper primarily for content, but the writing mechanics, style, organization, and presentation

should be of a quality suitable to an executive report. This case analysis is due on Canvas by (), on the day before the last class. Each student will make a 5 minute Powerpoint presentation on their paper (followed by Q&A) to the class over the last 2 sessions.

Group Presentations: Groups of 2-3 students will be formed early in the semester. Each group will choose one recent event in corporate development (e.g., a merger, divestiture, or alliance formation) and provide a full oral analysis of the event, including recommendations to management. Students may confer with members of other groups for ideas about event research and presentation, since each group will have a unique topic. Each group will tell me inform me of their choice of topic by (). Group event presentations should be approximately 15-20 minutes long, plus time for Q&A, and will occur throughout the semester.

Contact Information: The quickest way to receive an answer to a question is to email me. I am happy to discuss your group event presentation, chat about your future plans, hear your suggestions for the course, or address any other topic that would be helpful to you.

RUBRIC FOR HOMEWORK AND FINAL WRITTEN CASE ANALYSIS

	<i>Beginning</i>	<i>Developing</i>	<i>Accomplished</i>	<i>Exemplary</i>
<i>Analysis, Depth, Evidence</i>	<p>2 point</p> <p>No, or weak, evidence of issues provided. Limited use of strategic “tools”</p>	<p>6 points</p> <p>Some evidence of issues, with use of strategic tools/ frameworks covered in class. Evidence of limited relevance, and/or key points are overlooked.</p>	<p>8 points</p> <p>Good presentation of evidence, but with some overlooked evidence or inaccurate analysis. May not clearly describe relevant, insightful points that could be obtained by complete, effortful analysis.</p>	<p>10 points</p> <p>Accurate and thorough analysis of evidence, with identification of relevant and significant factors. Use of strategic tools and frameworks covered in class. Commentary is provided to help reader understand the key points of analysis without including extraneous details.</p>
<i>Issues Identification</i>	<p>0 point</p> <p>There is no mention of key issues</p>	<p>1 point</p> <p>Issues are mentioned but not connected to analysis and evidence OR not</p>	<p>2 points</p> <p>Issues are clearly identified, but may have a weak connection to analysis and</p>	<p>3 points</p> <p>Issues are clearly identified and described AND are logical and very directly related to</p>

		logical OR not clearly expressed	evidence OR may not be logical	analysis and evidence. A summary opinion or statement is presented that makes clear the author’s point of view.
Recommendations	<p>0 point</p> <p>There are no recommendations OR there are superficial recommendations</p>	<p>1 point</p> <p>Recommendations are provided but do not completely address issues. Risk analysis / alternatives not provided.</p>	<p>2 points</p> <p>Recommendations are relevant and clearly address issues. Limited risk analysis OR alternatives. Recommendations may be relatively minor or limited given the magnitude of the issues.</p>	<p>3 points</p> <p>Recommendations are connected to analysis and very clearly address issues. A brief “why” is presented. Risks and alternatives to recommendations are provided in a clear way. Recommendations focus on the most significant issues and do not constitute “minor fixes” or “band aids”.</p>
Organization, Writing Quality and Adherence to Requirements	<p>1 point</p> <p>Paper is poorly presented with multiple grammatical and spelling errors. Formatting or deadline not achieved</p>	<p>2 point</p> <p>Paper is jumbled (ideas do not flow) with some grammatical and spelling errors. Formatting or deadline not achieved.</p>	<p>3 points</p> <p>Paper is good, but somewhat unstructured, with minor spelling or grammatical errors. Formatting AND deadline achieved.</p>	<p>4 points</p> <p>Paper is excellent with very clear organization and flow of ideas. Attention to detail resulting in limited grammatical and spelling errors. Formatting AND deadline achieved.</p>

Notes:

This rubric obviously emphasizes the quality and depth of analysis. Papers which are simultaneously concise and which demonstrate a compelling analysis will typically:

- Limit any description of the case, as it can be assumed the reader has read the case or is familiar with the basic facts of the case.
- Make effective use of bullet points, outline format, tables, and charts to succinctly convey key points. This type of presentation can often convey useful information more effectively than extensive narrative.

COURSE SCHEDULE

The content and timing of the course schedule is subject to change and may need to accommodate guest speakers. Sessions will have a 10-minute break in the middle. Readings marked are posted on Canvas. The rest are in the case packet available for download off the Harvard Publishing website link listed above. (H) means full Harvard Publishing case study and (H-A) means a Harvard Publishing article.

Topic	Class Activities (prepare before class)
Overview of Business- and Corporate-Level Strategy Program of Acquisitions	<ul style="list-style-type: none"> • Class introductions / Syllabus Review • Playing at Serial Acquisitions (H-A) – Pitfalls (PP) • <i>Walt Disney and Pixar</i> (H) • <i>Form Teams: Recent M&A events</i> (PP)
Acquisitions and Alliances	<ul style="list-style-type: none"> • Procter & Gamble’s Acquisition of Gillette (H) • Live Nation mini-case (Canvas) in-class
Firm Growth and Corporate Development <i>Due: HW 1 (Huawei)</i>	<ul style="list-style-type: none"> • exercise Simple Rules for Making Alliances Work (H-A) • How to Manage Alliances Better than One at a Time (H-A) • <i>Huawei-Leica Alliance</i> (H)
Acquisition and Supply Chain	Guest Speaker: Pepsi acquires Santa Barbara Salsa
Alliance or Acquisition?	<ul style="list-style-type: none"> • When to Ally and When to Acquire (H-A) • Ebay in China (H) • How Emerging Giants... (H-A)
Alliances in Industry Ecosystems <i>Due: HW 2 (HTC)</i>	<ul style="list-style-type: none"> • <i>HTC and Virtual Reality</i> (H)
Joint Ventures	<ul style="list-style-type: none"> • Launching a World-Class Joint Venture (H-A) • <i>Nora-Sakari</i> (H) in-class exercise
Crafting a Corporate Strategy	<ul style="list-style-type: none"> • Mondelez (H)
Private Equity; Post-merger integration	<ul style="list-style-type: none"> • <i>Corporate Strategy at Berkshire Partners</i> (H) • <i>Report out on Disney-Pixar</i>

Due: HW 3 (Disney)	
Acquisition Deal from Heaven?	<ul style="list-style-type: none"> • Don't Integrate your Acquisition- Partner with it (H-A) • Phillips-Indal (H)
Implementing M&A	<ul style="list-style-type: none"> • <i>Guest Speaker - Implementation</i>
<i>Google and Acquisitions</i>	- <i>Google acquires YouTube, Fitbit, Nest; Compare and Contrast</i>
Final Individual Presentations	<ul style="list-style-type: none"> • Final individual presentations
Individual Papers Final Ind. Presentations	<ul style="list-style-type: none"> • Individual papers due • Final team presentations

SUPPORT SERVICES

If you need accommodation for a **disability**, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are **pregnant**, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek **religious accommodations**, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military *veteran* or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of *mental health* services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of *physical health* services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>]

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.
- Students must sign, date, and return a statement declaring that they understand this syllabus.]