

TU-E1131 FINANCIAL MODELING IN STRATEGY AND VENTURING

5 credit units

Course brochure, Fall 2020

September 11, 2020

INTRODUCTION

This course introduces theory and practice of the quantitative analyses and financial modeling needed in new business development, venture capital and private equity investments, mergers and acquisitions, and strategy consulting through readings and real-life cases that are solved in small groups and presented and discussed in online seminar sessions. Furthermore, case-based learning is complemented with practical Excel financial modeling practice.

The course is primarily targeted for students majoring in Strategy and Venturing. Because of the intensive group work and hands on guidance by industry experts, the course is limited to a maximum of 20 students, who are selected based on an entry exam.

SCHEDULE

The seminar sessions (via Zoom or MS Teams) will be held on Thursdays (between October 29 and December 3) from 14:15 to 17:00 and Excel modeling workshop will take place on Monday, 2 November, from 13:15 to 17:00. More detailed schedule of the course is presented below:

| Date | Time | |
|---------------------|--------------|--|
| Monday October 19 | 13:00-16:00 | Entry exam <ul style="list-style-type: none"> Course book: Rosenbaum, J. & Pearl, J. (2009/2013) Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions (see instructions in the Exam Guide available on the course webpage). The accepted participants will be announced via email by Friday, October 27th. If needed, a waiting list will be created. |
| Thursday October 29 | 14:15-17:00 | Session 1: Introduction and intro case Part 1 <ul style="list-style-type: none"> Introduction to the cases Introduction to financial modeling Group assignment Exam feedback Part 2 Intro case: Financial modeling in new business development (<i>Reddal Oy</i>) |
| Monday November 2 | 13:15-17:00- | Excel-modeling workshop. Each group has dedicated own timeslot of 30 minutes |

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| | | <ul style="list-style-type: none"> Q&A and troubleshooting of tasks demonstrated in video material available before the workshop Working with self-balancing balance sheet and financial projections (<i>Tomasz Mucha</i>) |
| Thursday November 5 | 14:15-17:00 | Session 2: Structuring a venture capital investment (<i>Artturi Tarjanne & Sami Karppinen, Nexit Ventures Oy</i>) |
| Thursday November 12 | 14:15-17:00 | Session 3: Structuring a buyout investment (<i>Tomi Alén, CapMan Oy</i>) |
| Thursday November 19 | 14:15-17:00 | Session 4: Analyzing buyout exit opportunities (<i>Lauri Turtiainen, Danske Bank Corporate Finance</i>) |
| Thursday November 26 | 14:15-17:00 | Session 5: Financial analysis of corporate strategy options (<i>Juuso Jääskeläinen, McKinsey & Company</i>) |
| Thursday December 3 | 14:15-17:00 | Session 6: Analysis of a corporate development transaction (<i>Ville Poikolainen & Siddharth Sainath, The Boston Consulting Group</i>) |

During each case session the cases will be presented in groups of three to four people. The presentations should last no more than 15 minutes. The preparations for case sessions are done in student groups between the sessions. Each time four of the five student groups will present their solutions and one of the groups will act as a 'board' asking questions about the solutions from the presenting groups. At the end of the session the instructor(s) of the case (industry experts who have been involved in the cases) will, together with Professor Markku Maula, give feedback on the solutions and presentations, and will comment on the topics of the case. The course will be conducted in English.

Missing a session (a maximum of two) of the course is possible, but all missed sessions have to be compensated by preparing a separate written assignment. Please contact the course coordinator as soon as you know that you are going to miss a session. Further, no more than two students from one group can miss the same session.

PASSING THE COURSE AND GRADING POLICY

The course grade will be determined as follows:

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| Pre-exam | 20% |
| Case solutions, presentations, and class participation | 80% |

PREREQUISITES

A prerequisite for the course is the successful completion of any introductory level corporate finance course and familiarity with financial statements.

PRE-EXAM

The entry exam on October 19th will consist of five (5) calculations (see information on the course book below). In the exam, the steps taken to arrive at the answer should be shown and explained. You may use a basic calculator that has no memory for saving equations. More detailed instructions are provided on the course MyCourses page, where you can find [the Exam Guide](#). The book is available in the Aalto university library and bookstore. Please register to both the entry exam (<https://oodi.aalto.fi/a/opettaptied.jsp?OpetTap=1144206574&html=0>) and the course itself (<https://oodi.aalto.fi/a/opettaptied.jsp?OpetTap=1144206569&html=0>) via WebOodi.

COURSE MATERIALS

Course book (pre-exam)

Rosenbaum, J. & Pearl, J. (2009/2013) Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions. Wiley Finance.

2009 ed. ISBN: 978-0-470-44220-3

<http://eu.wiley.com/WileyCDA/WileyTitle/productCd-0470442204.html>

2013 ed. ISBN: 978-1-118-47220-0

<http://eu.wiley.com/WileyCDA/WileyTitle/productCd-1118472209.html>

The book is also available as an e-book from Aalto learning centre:

<https://aalto.finna.fi/Search/Results?lookfor=rosenbaum+investment+banking>

Case materials

The case materials will be delivered for the participating students immediately after the previous case session except for the introductory materials, which are delivered electronically before the first session.

Optional readings

A list of optional readings and other useful resources will be maintained on the course web page. The use of additional literature on the specific aspects of the different types of transactions that are covered in the course is highly recommended.

INFORMATION CHANNELS

The course webpage will be maintained at

<https://mycourses.aalto.fi/course/view.php?id=30063>

The latest information related to the course will be sent to course participants via the MyCourse page or e-mail.

ADDITIONAL INFORMATION

Further information about the course is available from the course coordinator Tomasz Mucha and Professor Markku Maula. In practical issues, please contact Tomasz Mucha.

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