



UNIVERSITÀ DEGLI STUDI DI PALERMO

DEPARTMENT	Scienze Economiche, Aziendali e Statistiche
ACADEMIC YEAR	2022/2023
MASTER'S DEGREE (MSC)	ECONOMIC AND FINANCIAL SCIENCES
SUBJECT	CORPORATE STRATEGY
TYPE OF EDUCATIONAL ACTIVITY	B
AMBIT	50494-Aziendale
CODE	17644
SCIENTIFIC SECTOR(S)	SECS-P/08
HEAD PROFESSOR(S)	MOCCIAIRO LI DESTRI Professore Ordinario Univ. di PALERMO ARABELLA
OTHER PROFESSOR(S)	
CREDITS	8
INDIVIDUAL STUDY (Hrs)	152
COURSE ACTIVITY (Hrs)	48
PROPAEDEUTICAL SUBJECTS	
MUTUALIZATION	
YEAR	1
TERM (SEMESTER)	2° semester
ATTENDANCE	Not mandatory
EVALUATION	Out of 30
TEACHER OFFICE HOURS	MOCCIAIRO LI DESTRI ARABELLA Monday 10:00 12:00 DSEAS

PREREQUISITES	None
LEARNING OUTCOMES	<p>EXPECTED EDUCATIONAL GOALS</p> <p>Knowledge and comprehension The course is aimed to transmit in-depth graduate knowledge of the strategic and financial logics underlying top managers' choices and the processes which lead to value creation in corporations. The course is aimed to allow students to develop a deep comprehension of the theoretical principles underlying corporate strategy choices and the financial decisions underlying such choices. Parallel to the theoretical setting of the main issues concerning finance and corporate strategy, the course will treat practical models which render theoretical issues concrete and which may be of use to support real context managerial choices. The discussion of practical models is also directed to provide students with a rich array of instruments they may fruitfully apply in their future work within varied firm settings.</p> <p>Capacity to apply knowledge and comprehension The course will expose students to the idea of firms as complex dynamic systems and highlight the interconnected nature of aspects internal and external to the organization, as well as the reciprocal links between the financial and the strategic aspects of firm choices. Given the aims of this course, particular attention will be paid in order to develop the capacity to apply the analytical models analyzed nimbly in varied empirical real world settings. Instrumental to this aim, is the detailed description of the contexts in which each model may be applied, the usefulness of each model, as well as its limits. Through the didactical use of case discussions in the classroom, this course will push students to develop their capacity to reason critically and their confidence in applying the models studied to concrete cases once they are engaged in real work settings.</p> <p>Autonomous reasoning capacities The course is aimed to spur students to mature a distinct capacity to reason autonomously and to link the theoretical themes covered during the classroom sessions to the empirical contexts in which they may apply. The focus of the themes treated will regard the corporate choices which consent firms to create value, with particular focus on the interface and interconnection between the financial and strategic aspects in the implementation of such choices. Classroom discussion will be targeted to develop full comprehension of the theoretical issues, together with the capacity to evaluate critically the operational applicability of the models treated.</p> <p>Communication abilities By following this course, students will develop communication abilities and a specific technical terminology regarding the main resources and processes belonging to the principal intersection between the financial and corporate strategy academic and practitioner literature. Each participant will be encouraged to present and transfer to others, in a clear and precise way, analyses and opinions concerning the financial and strategic thematic proposed in the syllabus.</p> <p>Learning capacities The structure of the course and the didactic methods used will stimulate active participation on behalf of the students. The use of both inductive and deductive learning processes are aimed to consent a full comprehension of the themes proposed in the syllabus. Furthermore, the professor will verify the degree to which students have matured an adequate comprehension of the themes treated and will vary the pace of the course accordingly. This mixture of teaching techniques is geared to allow students to mature a deep comprehension of the main themes and aspects related to corporate strategy and to develop the capacity to apply the models studied to a variety of concrete empirical settings</p>
ASSESSMENT METHODS	Written exam (50%), case discussion (50%). Final grade is expressed on a maximum of 30 points
EDUCATIONAL OBJECTIVES	<p>Educational goals of the course The Corporate Strategy course for the Post-graduate degree in Economic and Financial Analysis focuses on the financial and strategic aspects underlying the fundamental choices that pertain specifically to top managers within corporations. In general, a firms' strategy is the result of strategic choices which find a limitation in the amount of financial resources available and a performance criteria in the capacity to create value. In this sense, strategy is conceived as a system of managerial initiatives aimed to consent the firm to gain superior performances vis-a-vis their competitors and create value. Students are urged to reason on and comprehend the main theoretical and practical aspects of these broad themes.</p> <p>Though the course is not formally divided into modules and maintains a fundamentally unitary logic, it is possible to distinguish two parts of the syllabus which include homogeneous topics. The first part introduces the concepts of firm value and market price, the factors that influence firm value, on the one hand, and firm market cap, on the other. Attention is paid to illustrate the levers managers may act upon to influence firm value and market cap. The principles</p>

	underlying periodic performance measurement and overall corporate evaluation are illustrated. Further, this part of the course concerns the options available to managers in order to create value at the corporate level, the systemic nature of corporate strategy and the nexus between internal and external variables, the relationship between strategy, governance and finance and the economic and financial strategy of the firm. The second part of the course will be dedicated to a limited set of strategies available to top managers. The strategies considered include both more consolidated and more recent ones. In particular, the strategies treated include: diversification and integration; alliance creation and management; M&As, co-opetition, and the international expansion of the firm.
TEACHING METHODS	Lectures and case studies
SUGGESTED BIBLIOGRAPHY	<p>Text Books Collis D. J. & Montgomery C.A, Corporate strategy: resources and the scope of the firm, Irwin/McGraw-Hill, 1997. ISBN 007124932X P. Puranam & B. Vanneste, Corporate strategy: Tools for analysis and decisionmaking, Cambridge University Press, 2016. ISBN 9781107120914</p> <p>Readings (other readings may be added or used as substitutes of the ones indicated here): M. Martellini, "La teoria della creazione del valore", in M. Martellini (ed.), L'impresa. Economia e Gestione, Torino: Giappichelli, 2° Ed, 2006 D. F. Hawkins, "Basic Ratio Analysis and Equity Valuation", Harvard Business School A. Damodaran, "Firm Valuation", Stern School of Business</p> <p>Cases (these cases may be changed if appropriate): General Electric & Jack Welch; Shanghai General Motors; Bird's Eye; Bocconi</p>

SYLLABUS

Hrs	Frontal teaching
2	Introduction: From business to corporate strategy
2	Firm value and stock prices in different institutional contexts
4	Corporate Governance
2	Value Creation and value based management
2	Excess Returns and their measurement
2	The cost of capital
2	Periodic performance measurement and Market Value Added
4	Estimating overall corporate value
2	Strategy and industry analysis
2	Basic strategies and resource based theory
2	The corporate strategy triangle
2	Corporate advantage and synergies
2	Resources and their value
4	Diversification strategy
2	Vertical Integration
2	Corporate organization
10	Case studies