Entrepreneurship Through Acquisition (MGMT B8523)
Spring 2022

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Communications from professor and teaching assistants about the course will take place through Canvas or emails. Students should make sure they regularly check for announcements and messaging notifications.

COURSE DESCRIPTION
The Search Fund Model: How to Become A 28-Year-Old CEO.

This course is intended for anyone interested in buying a small-sized company and become its equity owning’s CEO at some point in their career, but can also be helpful for the participants that plan to be involved in:

- Private Equity,
- Venture Capital,
- Investment Banking,
- Entrepreneurship or
- Consulting.

The program will be covering the following topics:

1. Examining entrepreneurial acquisition models and your personal perspective.
2. The cost of your search.
3. Identifying and attracting qualified investors.
5. Approaching sellers and navigating the sale process.
6. Valuing acquisition targets, structuring a bid and developing a bidding strategy.
7. Dealing with sellers, financing, and structuring the deal.
9. The Closing date and beyond: Transitioning into a company leadership role.

This course will be 12 class sessions that will be primarily case oriented with some additional readings, in-class guest speakers, and classroom discussions will help enhance the practical, real-world perspective of the class.

Upon successful completion of this course, students will come out looking at entrepreneurship in a different manner. They will understand that buying a business is an exciting career path to becoming an entrepreneur, and it can be far less risky than starting one –but bear in mind the search fund model is not without risk!
PROGRAM STRUCTURE
The Class is presented in 4 modules:
1. Preparing for your search.
2. Finding the right small business to buy.
3. Making an offer.
4. Completing the acquisition.

This course involves a variety of teaching and learning methods, including:
   a. Case discussions.
   b. Topical readings.
   c. Guest speakers.
   d. Lectures.
   e. Individual and Team work.

The cases and readings in each module will form the basis for the details of what you learn from each class discussion. There will be some sessions that will bring in guest speakers to provide added insights, and to give you the chance to question them directly.

Cases, written assignments, and supplemental material are mandatory; they should be read, understood, and prepared. IMPORTANT NOTICE: Given the challenges of scheduling Guest Speakers for the Classes, dates are subject to change.

Students will be notified in advance. Please check your email and Canvas for information about changes in Agenda.

STUDENT LEARNING OUTCOMES
The objective of this course is to explore selected topics - with a very practical approach - related to the entrepreneurial career path of acquiring a small or mid-sized business and become its equity owning’s CEO.

We will examine this process through the perspective of following the search fund acquisition cycle, using a series of lectures, assigned readings and selected case studies.

When determining whether to enroll in this course, please keep the following in mind:
1. No two deals or acquisition processes are the same.
2. This course was designed to provide you with the knowledge and context to:
   (i) decide whether or not you would want to explore a career path of Entrepreneurship Through Acquisition
   (ii) develop some alternative methods to becoming an entrepreneur, and
   (iii) have a practical tool kit to guide you through the acquisition lifecycle.
3. While there are many similarities between the process of acquiring a small company and a private equity fund buyout or a large M&A deal, the world of small business is highly entrepreneurial, fragmented and nuanced. As a result, there will be differences between what is discussed in class and the private equity process.
COURSE OBJECTIVES
On successful completion of this course, students will have a basic understanding of how to:

1. Understand the steps in launching a successful search fund.
2. Identify the industries and companies that are most conducive to the search fund process.
3. Structure due diligence for companies identified in the search fund process.
4. Negotiate a purchase price and structure.
5. Work with legal representatives to close the transaction.
6. Identify the key areas for management focus in the first several months after close.

CLASSROOM NORMS AND EXPECTATIONS
This course adheres to CBS Core Culture. Students are expected to be Present, Prepared, and Participating. We also expect all students to commit to the CBS Honor Code, following the principles of Truth, Integrity and Respect. We will not lie, cheat, steal, nor tolerate those who do.

I will treat you as an adult in a very demanding working environment. Failure to comply with Syllabus instructions will give Student no credit. Please read the instructions carefully.

Recording (video or audio) of the class and taking pictures are NOT allowed. Any violation will result in being automatically dropped from the course with no further right to admission. Given the challenges of scheduling Guest Speakers for the Classes, dates are subject to change. Students will be noticed in advance.

Please check your email, Canvas and first day of Class for information about changes in Agenda.

LEARNING WITH THE CASE METHOD. DISCUSSION GROUPS.
Learning to synthesize a case, and decide what action a protagonist should take, is a skill I want students hone throughout their time in our Class.

The case method is a challenging style of teaching and learning, and discussion groups help students with different strengths and weaknesses learn from each other to better prepare for class. By reviewing interpretations and numbers for different cases, students can make sure they are on top of the material and can test out opinions and ideas about cases before they come to class.

After you read and study the case individually, and before we all meet in class, I encourage you to get together with other fellow classmates (your own discussion group -you can use zoom or any other video/audio software if meeting in person is challenging-) to share, discuss and evaluate your different perspectives and conclusions on the material. This will help each other to better prepare for participation in class.

Depending on the material, groups can cover spreadsheet models, interpretation of exhibits, and perspectives on case readings.

Before first day of class, we will be creating the Study Groups (5 pax) and we will communicate the Groups before the Course starts.