Mental Models: Unconventional Idea Discovery  
Fall 2019 Bidding Syllabus

Course: B8382 section 1
Schedule:
Classroom:

Professors:
Grant Bowman  
Brian Waterhouse

Class Email:
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Office Hours: By Appointment

Course Overview:
This will be a demanding class meant for any student who is dead-set on entering the investment management industry post-graduation. The class is open to all second year students (whether or not you are in the Value Investing Program). The class is not open to the bidding process and no auditors will be allowed. The class will be limited to ten students. To be considered for admittance you must apply.

There are many classes at Columbia that teach you how to conduct research and prepare investment memos/pitches but the purpose of this course is to study and improve the creative idea generation process. The idea creation phase is the single most important part of the investment process – creativity cannot be outsourced and as of now cannot be replicated by machines. Many hours modeling and making paid-calls is not the recipe to significant outperformance. The best performing ideas are inherently uncomfortable – to find shorts that go to zero and 10 bagger longs you need to expand your thought process moving away from the well-worn paths.

The goal of this class is to help you improve your personal idea generation process by exploring your creative limits and teaching you that investing is an all or nothing vocation. In the class you will learn what has and has not worked in an effort to develop your own style and voice. We will develop the tools for a repeatable search process to find outstanding ideas.

Required Pre-Requisites:
Prerequisite: Capital Markets, Corporate Finance, Financial Accounting, Strategy Formulation, Global Economic Environment, and Managerial Economics.

Students will be expected to be proficient in the concepts taught in the above courses.

Admittance Application:
To be considered for admission in the class you must opt-in as part of your Value Investing Program application.

Requirements & Expectations:
The value of this class is largely dependent on the quality of the full class’s work product and engagement. This class will require a significant time commitment by every member of the class.

1. Class Attendance; all classes are mandatory;
2. 15-20 hours per week outside of class – if you cannot commit to this (could be more) this class is not meant for you; and
3. Homework due each week by Tuesday at 11am.

Class Structure:
The entire class focuses on idea generation and where great ideas come from. The first five weeks focus on frauds and the second five weeks focus on Left 4 Dead companies. In addition, we will have periodic idea contests to help implement the framework applications. The final two three classes will focus on selecting an idea (individually or in teams) that we believe has the most potential, with the goal of eliminating ideas that are not promising and eventually coming up with several incredibly promising ideas that we will go deep on and present at the end to members of the investment community. The class will include a mix of speakers, individual and group work.

Illustrative Agenda:
• Class 1: Discussion of pre-reading, class overview, case study, and idea contest
• Class 2: Fraud Case Study
• Class 3: Fraud Framework
• Class 4: Fraud Framework
• Class 5: Fraud Idea Contests
• Class 6: Left 4 Dead Case Study
• Class 7: Left 4 Dead Case Study
• Class 8: Left 4 Dead Framework
• Class 9: Left 4 Dead Framework
• Class 10: Left 4 Dead Idea Contest and Final Idea Selection
• Class 11: Final Idea Selection
• Class 12: Final Presentation

Required Pre-Class Reading:
All reading material will be uploaded to Canvas for students to read. In addition the professors will print out course packets for students to have.

Assignments:
There are three main types of assignments:
• Case Studies: These are individual assignments, but you can speak with other students on them if you find that to be helpful
• Frameworks: These are group assignments, where you will collaborate with classmates as we roll-up our individual case studies into a framework to tease out broader lessons and ways to search for certain events (frauds, etc.).
• Idea Contests: These are meant to be worked on individually using what we have learnt from the case studies and the frameworks

Method of Evaluation:
Grades will reflect knowledge and application of the course material and communication skills. This course is intended to be interactive and class participation will be crucial to the success of this
Grades will be calculated as follows:
40% Weekly Assignments (mix of individual and group)
20% Class Participation
40% Final Project