

Module No.	M 4.9		
Title	Entrepreneurial Financial Strategies		
Module type	S		
Language of Instruction	English		
Teaching Methods	Seminar	Frequency	weekly
Semester	1		
CHW	4		
ECTS-Credits	5	Workload	50 / 50 / 20 / 30
Responsibility for the Course	Prof. Dr. Harald Ruhnke		
Lecturer	Prof. Dr. Harald Ruhnke & N.N.		
Corresponding Courses	none	Prerequisites	Knowledge in mathematics of finance, investment and financing, general taxation, basics in macro-economics
Assessment Method	Written exam (90 min)	Study aids to be used	Financial calculator, e.g. HP 30b Business Professional

*Workload in hours: presence in lectures / preparation and follow-up of lectures / self-study / revision for assessments

Intended Learning Outcomes (Skills, Knowledge, Attitude)

"How important is it to actually live a company's values? Values provide internal and external orientation and legitimize decisions and actions. They also send a signal that the company is a reliable cooperation partner. They can, therefore, help businesses lower their costs and improve their economic value creation. If lived values have such advantages, why is explicit - and effective - values management not as widespread as one might think? How do inconsistencies between propagated values and actual behavior arise, and what is the role that misled expectations among different stakeholders may play?"— Editor (Schöler, Gabriele; Verl. Bertelsmann-Stiftung, pls. see literature)

Based on these critical questions cited above the students shall learn the concepts of

- Valuation
- Creating Value
- Digitalization and technological advance
- Capitalism

and how these concepts can be implemented successfully into business respectively into entrepreneurial financial strategies.

After the participation of this module the students are able to use the fundamental knowledge about how the capitalistic system functions, how the management of value creation of business works in a capitalistic context of a digital world, how the valuation of a business is based on this knowledge and to analyze and evaluate the results in a given context. The students are able to work on concrete problems out of these areas and to apply with the help of structured quality analyses and usable mathematical formulas. Especially in little working groups the students can exchange, understand and test their new knowledge about these areas of the module. Through the participation of this module the students recognize the dependencies of entrepreneurial financial strategies from the capitalistic system in which it works and are able to use the knowledge about the economic system and the creating of entrepreneurial financial strategies to drive business to higher longstanding value and transactions.

Contents

- Valuation of business
- Managing for value creation of business
- Digital strategies to increase the valuation of business
- Capitalism as the frame to understand value creation of business
- Implementing entrepreneurial financial strategies
- Finance for startups
- Digital business models
- Finance of innovations

Quantitative Methods

- Models and methods for a valuation as state of the art
- Models and methods for value creation incl. digital strategies
- Models of Capitalism and its critics
- Models and methods used in business administration

Applied methods in Economics and Business administration

- **Analysis models and methods (research and analysis models):**
 - Process models (e.g. procedure of due diligence, procedure of business acquisition)
 - Business valuation models (individual and total valuation models)
 - Component models (e.g. time series analyses for key figures development)
 - Normative decision theory (e.g. assessment of the impacts of individual forms of financing)
 - Qualitative optimization models
 - Quantitative optimization models
 - Forecasting models (budget figures)
 - Models of interaction (communication)
- **Quantitative empirical methods (comparative – statistical, mathematical methods, data analysis):**
 - Key figures on the financial situation (such as liquidity, inventory turnover period), the income situation (e.g. return on investment, interest expense ratio), the financial position (e.g. cash flow figures, days payables outstanding); in this context, working with primary data and secondary data
 - Quantitative comparative analyses (e.g. statistical references from Standard & Poor's)
 - Statistical analyses (e.g. medians of key figures in rating classes)
 - Mathematical business valuation methods of individual valuation; this includes:
 - Liquidation value method
 - Reproductive value method
 - Mathematical business valuation methods of total valuation; this includes:
 - Capitalized earnings method
 - Multiplier method
 - Discounted cash flow method
 - Empirical analyses in the context of case studies for business valuation (e.g. Weighted Average Cost of Capital, Capital Asset Pricing Model)
- **Qualitative and interpretative methods (expert interviews, polls, standardised surveys)**
 - Qualitative company analyses (branch, organizational structure, management, business relationships, payment behavior)
 - Descriptive decision theory
 - Prescriptive decision theory
 - It is possible to conduct expert interviews as part of the project work

Teaching and Learning Styles

- Lectures and discussions: Theory and Reality
- Case studies and group work
- Special guests lectures (N.N.)
- Seminar paper

Literature

- Anderson, Patrick L.: The Economics of Business Valuation: Towards a Value Functional Approach. Stanford University Press, Stanford, Calif. 2012
- Audretsch, David B. / Link Albert N.: Valuing an Entrepreneurial Enterprise. Oxford Univ. Press, Oxford 2012. Electronically published: http://books.google.de/books?id=DWNnX-BYx5gC&printsec=frontcover&hl=de&source=gbs_ViewAPI&redir_esc=y#v=onepage&q&f=false
- Breyer-Mayländer, Thomas: Vom Zeitungsverlag zum Medienhaus: Geschäftsmodelle in Zeiten der Medienkonvergenz. Springer Gabler Verlag. Wiesbaden 2015
- Butler, John: E-commerce and Entrepreneurship. Information Age Publ., Greenwich, Conn. 2001. Electronically published: http://books.google.de/books?id=8S06caQw85IC&printsec=frontcover&hl=de&source=gbs_ViewAPI&redir_esc=y#v=onepage&q&f=false
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- Fox, Alexander: Die Bewertung von Content-Anbietern unter besonderer Berücksichtigung von Web 2.0. Springer Fachmedien Verlag. Wiesbaden 2010. Electronically published: http://books.google.de/books?id=bpvhVM_gxQC&printsec=frontcover&hl=de&source=gbs_ViewAPI&redir_esc=y#v=onepage&q&f=false
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- Hess, Thomas / Heinzl, Armin: Digitalisierung der Unternehmen. Springer Gabler Verlag. Wiesbaden 2012
- Hirschheim, Rudy / Heinzl, Armin / Dibbern, Jens: Information System Outsourcing – Towards Sustainable Business Value. 4th Edition, Springer Verlag 2014
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- Meier, Andreas: eBusiness & eCommerce managing the digital value chain. Springer Verlag, Berlin 2009. Electronically published: http://books.google.de/books?id=4HZwDeu7VCwC&printsec=frontcover&hl=de&source=gbs_ViewAPI&redir_esc=y#v=onepage&q&f=false
- Moore, Jason W.: Capitalism in the Web of Life – Ecology and the Accumulation of Capital. Verso-Verlag 2015
- Neal, Larry / Williamson, Jeffrey G.: The Cambridge History of Capitalism – Two Volume Set. Cambridge University Press 2014
- O'Sullivan, Kevin: Strategic Intellectual Capital Management in Multinational Organizations Sustainability and Successful Implications. Business Science Reference. Hershey, PA 2010

- Piketty, Thomas: Capital – in the Twenty-First Century. The Belknap Press of Harvard University Press. Cambridge, Massachusetts London 2014
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