Overview and Objectives

This is a doctoral level seminar on corporate development. In each class, we will discuss and develop a particular perspective on acquisitions and alliances. The basic purpose of the course is to familiarize students with the basic assumptions, concepts, theories, empirical approaches and their limitations in contemporary research on this topic. Because these are evolving subject areas and undergoing continual change, the boundaries of the field are fuzzy, subjective and open to interpretation and reinterpretation. The idea of the course is to provide an exposure to the major ‘lenses’ underpinning these phenomena.

The emphasis in this course will be on empirical testing as well as theory building. We will examine some of the fundamental tests of theories. We will also try to push the boundaries of the familiar and new theoretical perspectives, and possibly identify opportunities for cross-fertilization. In each case, we will attempt to derive testable predictions. Finally, we will integrate the various perspectives and attempt to inform the current debates in the field.

Approach

The format of the course will be that of a research seminar meaning active, engaged reading of the week’s materials followed by an intensive group discussion. The reading load is reasonable, but the expectation is that each student will come prepared to discuss each article. In addition, we may have some in class assignments.

Course Requirements/ Evaluation

The course requirements reflect the primary ‘outcome objectives’ of this course, namely familiarization with good empirical research, ability to discriminate between good and bad research, and ability to design and conduct superior empirical research (and more
immediately, passing the comprehensive exam and writing a dissertation). To that end, grading will be based on two broad components:

1. **Term Paper / Research Proposal (50%)**: You will complete a term-paper for this course by the given deadline. Each student is encouraged to discuss the proposal for this paper with the instructor, and time permitting, with the class. This paper may or may not contain an actual empirical test, though in the absence of an empirical test, it should contain testable propositions and a well thought-out research design. There will be no incompletes given in this course.

2. **Class Contribution / Presentations (30%)**: The presentations and discussions should deal with the following: question or topic, received theory and literature, methods of research, data sources, tests and treatments, alternative approaches, findings and conclusions, presentation style, problems and flaws, implications for theory and meaning to managers.

   An active and well-informed discussion is critical to the success of such a course. Consequently, each student will be graded on the frequency and quality of their contribution to such discussions. Each student is responsible to read all the required readings for each session. The emphasis is on the depth of understanding that is embodied in the comments, questions and answers rather than only frequency.

3. **Book report and presentation (20%)**: Each student will identify a book on some aspect of the theme of the course and prepare a brief book report (<5 pages). This report should also be presented to the class in a 20 minute presentation. The chosen books may not be strictly “research” books; instead they could be stimulating and provocative treatments that may help generate new ideas.

   Students auditing the course should read the articles, participate actively and lead discussions, but are exempt from the term-paper requirement. The book report and presentation will be optional.
CLASS SCHEDULE

1. Competition/Market Structure Issues in Acquisitions and Alliances

Competition and antitrust: Toward a productivity-based approach to evaluating mergers and joint ventures

Alliance-based competitive dynamics

Mergers and the Value of Antitrust Deterrence

The economics of international cosharing: An analysis of airline alliances

Optional:

The consolidation curve

Bertrand competition with capacity constraints: Mergers among parking lots

2. Markets for Corporate Control and Partnering

The duality of collaboration: Inducements and opportunities in the formation of interfirm linkages

The Rationale Behind Interfirm Tender Offers: Information or Synergy?

Synergistic Gains from Corporate Acquisitions and Their Division Between the Stockholders of Target and Acquiring Firms

Explaining the premium paid for large acquisitions: Evidence of CEO hubris

Takeovers: Their Causes and Consequences
3. Accessing Capabilities through Acquisitions and Alliances

Evolutionary diffusion: Internal and external methods used to acquire encompassing, complementary, and incremental technological changes in the lithotripsy industry


STRATEGIC ALLIANCES AND INTERFIRM KNOWLEDGE TRANSFER


Competition for Competence and Inter-Partner Learning Within International Strategic Alliances


Precarious collaboration: Business survival after partners shut down or form new partnerships


Learning through acquisitions


4. Acquisition and Alliance Capabilities

The influence of organizational acquisition experience on acquisition performance: A behavioral perspective


Interorganizational routines and performance in strategic alliances


The relational view: Cooperative strategy and sources of interorganizational competitive advantage


Villalonga and McGahan, 2003, working paper

5. International Issues in Acquisitions and Alliances

Working abroad, working with others: How firms learn to operate international joint ventures


Value creation and destruction in cross-border acquisitions: An empirical analysis of foreign acquisitions of U.S. firms


An economic model of international joint venture strategy

Shareholder benefits from corporate international diversification: Evidence from U.S. international acquisitions

6. Organizational Issues in Acquisitions and Alliances

TOP MANAGEMENT TURNOVER MERGERS AND ACQUISITIONS
Walsh, James P. Strategic Management Journal. Chichester: Mar/Apr 1988. Vol. 9, Iss. 2; pg. 173, 11 pgs

Acculturation in Mergers and Acquisitions

Managerial ownership, the method of payment for acquisitions, and executive job retention

Communication with Employees Following a Merger: A Longitudinal Field Experiment

Knowledge management processes and international joint ventures

7. Paper presentations (time permitting)