

**NEW YORK UNIVERSITY'S STERN BUSINESS SCHOOL**

**Syllabus Course Number: B40.3125**

**STRATEGY AND FINANCE FOR ENTERTAINMENT, MEDIA, AND  
TECHNOLOGY COMPANIES**

**By**

**Professor Tad Smith (Adjunct)**

**Course Overview.** This course employs the Socratic Method of teaching and requires students to be comfortable with speaking publicly; getting called on without warning by the professor to answer questions or participate in the discussion; and debating issues with their colleagues. There are no guest lecturers (in fact, there are no “lectures” at all). This course encourages students to develop their ability to think quickly on their feet and to articulate the strategic and financial issues facing top executives of entertainment, media, and a select group of technology companies. The course is taught from the perspective of the Chief Executive Officer rather than the Chief Financial Officer, a banker, or analyst. The course materials include analyst reports, press clippings, information available on the company websites, and public filings.

**Course Prerequisites.** Although the course is not mathematically challenging (anyone who knows bond math and DCF analysis will be fine) the course is conceptually quite difficult, especially as it requires the student to apply option theory, the capital asset pricing model, realities of synergy, vertical and horizontal integration, and portfolio theory to the real work of running a large complex media enterprise. Therefore, this course is exclusively for second year students who have already taken a basic corporate finance class and who are unafraid of algebra.

**Grades.** A student’s grade will depend on class participation (quality) and performance on the final exam. Each part is 50% of the grade. There may also be an extra-credit midterm exam (although I doubt it).

**Fall 2008 Agenda:**

**11/06/08: PRINT MEDIA: FOR SALE AS IS**

Students will explore the challenges of managing a large print portfolio in an increasingly digital world. The case will examine Dow Jones & Company and its sale to Rupert Murdoch’s News Corporation. It will also look at The New York Times Company.

**11/13/08: YIKES: MY CUSTOMER JUST STOLE MY PRODUCT!**

Students will review the outlook for the music industry as well as the advantages of a combination between Warner Music and EMI Group. Students will then explore Hollywood through the example of an independent, publicly traded, filmed entertainment company and distributor of the 2005 Oscar Best Picture *Crash*: Lion's Gate Entertainment.

**11/20/08: BEAMING UP HOWARD STERN**

Students will think about entertainment distribution companies by comparing and contrasting Citadel Broadcasting and Sirius Satellite Radio.

**12/04/08: BREAKING UP IS HARD TO DO!**

Students will examine what Jeffrey Bewkes and Dick Parsons might do to boost shareholder value at Time Warner with lessons fresh in their mind from the Viacom – CBS spin off.

**12/11/08: NO LONGER WALL STREET'S FAIR-HAIRED CHILD. . .**

Students will explore the future and prospects of Yahoo and Google.

**12/18/08: GOING SOFT AROUND THE MIDDLE?**

Students will discuss the prospects of Microsoft and eBay as the companies battle the bulges of corporate middle age. The class will also do a general review of the concepts and answer any questions related to the take-home exam.

**ABOUT THE PROFESSOR:**

Tad Smith is Chief Executive Officer of Reed Business Information (Reed), the New York City-based division of Reed Elsevier Group plc. Reed is a leading business information company in North America. Among its nearly 80 publications and websites are leading franchises including *Variety*, *Publishers Weekly*, *Interior Design*, *Furniture Today*, *Broadcasting & Cable*, *Restaurants & Institutions*, and *EDN*. Reed is also a leading provider of Internet lead generation, data and market research through Reed Construction Data, BuyerZone, RS Means, First Source, 411 Publishing, In-Stat and MarketCast.

Tad is Adjunct Professor at the Stern School of Business at New York University, where he teaches the highly rated corporate finance and strategy course on entertainment, media, and technology companies.

His prior employers include Starwood Hotels and Resorts, BMG Entertainment, and McKinsey & Company, Inc. Tad is a Young Global Leader of the World Economic Forum, as well as a member of the Young President's Organization, the Economic Club of New York City, and the Policy Advisory Board of Harvard University's Joint Center for Housing Studies. He chairs the New York Roundtable for the Center for Strategic and International Studies in Washington DC, and serves on the boards of American Business Media, the Business Press Educational Foundation, the Online Publishers Association, and the Interactive Advertising Bureau.

Tad received his MBA from Harvard University, where he was a George F. Baker Scholar and a Horace W. Goldsmith Fellow. He received his BA from Princeton University's Woodrow Wilson School of Public and International Affairs, where he received the R.W. van de Velde Prize. Tad is a member of the Dean's Leadership Council of the Woodrow Wilson School's 75<sup>th</sup> Anniversary Capital Campaign.

He received Reed Elsevier's "Passion for Winning" Award and *Media Business* magazine's 2007 Top Innovator Award. *FOLIO* magazine recognized Tad as one of the 40 most influential people in the magazine industry and *min* magazine inducted him into the magazine industry's Digital Hall of Fame.

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