

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

**Syllabus Course Number: GB.3125.10 (Room KMC 2-70)**

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

**By**

**Adjunct Professor Tad Smith and Special Guest Lecturer Richard Siklos**

**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 will be no "lectures." The 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. Unlike the case of prior years, the course will be taught with the assistance of prominent special guest lecturer Time Warner executive and former journalist Richard Siklos. As a consequence, most of the course will be taught from the perspective of the Chief Executive Officer, but the view on Wall Street and that of the analysts will be explored as well.

**Course Prerequisites:** Although this course is not mathematically challenging (anyone who knows bond math and DCF analysis will be fine) the course is conceptually quite difficult. Students apply option theory, the capital asset pricing model, realities of synergy, vertical and horizontal integration, and the 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 and performance on the take-home midterm and final exams.

**Fall 2011 Agenda:**

**11/10/11: 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 The New York Times Company as well as Gannett.

**11/17/11: YIKES: MY CUSTOMER JUST STOLE MY PRODUCT!**

Students will review the outlook for two content creation industries: music and movies. The focus of the class will be Warner Music and DreamWorks.

**12/1/11: BREAKING UP THE VALUE CHAIN: WHO ARE THE WINNERS AND LOSERS?** Students will review Amazon and Apple to see how the content creation and distribution value chain is being unbundled in the modern era. THE MIDTERM EXAM WILL BE DISTRIBUTED AT THE CONCLUSION OF CLASS.

**12/8/11: NEW DISTRIBUTION MODELS: CHANGE YOU CAN BELIEVE IN?**

Students will review the prospects for new forms of distribution of content. Netflix, HBO.GO, and Hulu will be the principal areas of focus. THE MIDTERM EXAM WILL BE DUE PRIOR TO THE BEGINNING OF CLASS.

**12/15/11: NO LONGER WALL STREET'S FAIR-HAIRED CHILDREN?**

Students will explore the future and prospects of Yahoo and Google. Why are they out of favor? What are their problems? How do they fire up the old magic? THE FINAL EXAM WILL BE ANNOUNCED AT THE CONCLUSION OF THIS CLASS.

**12/22/11: TAKING STOCK OF WHERE WE ARE**

Students will review the final exam cases that were handed out the prior week. THE FINAL EXAM WILL BE DUE PRIOR TO THE BEGINNING OF THIS CLASS.

**ABOUT THE PROFESSORS:**

Tad Smith is President, Local Media, for Cablevision Systems Corporation, where he is responsible for News 12 Networks, MSG Varsity, amNY, and Newsday. He is also an 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 Reed Business Information, Starwood Hotels and Resorts, BMG Entertainment, and McKinsey & Company, Inc. 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.

Richard Siklos joined Time Warner in 2010 as Vice President advising senior management on communications and media matters. As an award-winning journalist, he has worked as corporate media correspondent at The New York Times, editor-at-large at Fortune, and held reporting, editing, and columnist roles at publications including Business Week, Vanity Fair, London's Telegraph, and Canada's Globe and Mail. Richard received more (5) Southern California Journalism Awards in 2008 and 2009 than anyone else; won the 2009 National Entertainment Journalism Award; and is the author of two books on Canadian press-baron Conrad Black. He also served six years as an adjunct professor at New York University's Department of Media, Culture, and Communication.

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