



## **Managing Financial Businesses**

Fall 2013

Professors Roy C Smith and Larry Zicklin

Wednesdays, 6-9pm

### Course Description:

This course is for students interested in a broad range of managerial issues applicable to modern financial services businesses.

### What Students Should Get out of the Course:

1. A clear idea of what it takes *to manage* a broad spectrum of financial service firms (banking, trading, investment management)
  - a. Setting business strategy in fast changing environments
  - b. Managing risk, financing the firm, managing the control functions
  - c. Managing technology
  - d. Managing people: recruiting, training, evaluation, and compensation in high performance, highly regulated financial businesses
2. Understanding the views of senior executives of major firms on contemporary issues
3. Understanding career opportunities on the “management track” at financial firms
4. Understanding of current events affecting financial firms as they happen

### Student Deliverables:

1. Two-page case write ups for six cases presented in class before the case is discussed
2. In class Midterm exam
3. In class Final exam

### Pedagogy:

1. First of two evening sessions is a lecture or presentation by industry executives or others
2. Second session is a case discussion, or class discussion of the previous lecture
3. Exams occur in second sessions
4. There is ample time and encouragement for class discussion
5. Adherence to a announced syllabus but with 15-20 min allocated to the “news” most weeks

### Professors:

Roy C. Smith, Kenneth Langone Professor of Finance and Entrepreneurship and former Partner of Goldman, Sachs & Co. and President of GoOldman Sachs International Corp.

Lawrence Zicklin, Professor of Management Practice, former CEO (and currently a Director) of Neuberger Berman, a leading investment management firm, and a frequent lecturer at the Wharton School and at Baruch.

### Course Materials

There is no text for the course. Assigned readings and cases will be posted on Blackboard (or NYU Classes, its successor) before the term begins. Changes may be made to the syllabus and assignments reflecting current events and these will be announced by email.

### Grading, Attendance and Honor Code

Normal “default” Stern standards apply in full.

Preliminary Course Outline  
(Subject to change)

Session 1 Banking

First: **Bill Longbrake (former CFO, Washington Mutual S&L)**  
Second: News, Discussion of the lecture (Zicklin), Introduction of the course

Session 2 Investment Management

First: **Michael Price (Chairman, MFP Investors, a NY Based Hedge Fund)**  
Second: News, Discussion of the lecture, Zicklin on managing IM firms

Session 3 Capital Markets and Trading

First: **Brad Hintz (Managing Director, Alliance Bernstein)**  
Second: News, JP Morgan case (Smith)

Session 4: Management of Hedge Funds, Mutual Funds

First: **Paul Roth (founding Partner, Schulte, Roth & Zabel)**  
Second: News, SAC Advisors (or some other case) (Roth and Zicklin)

Session 5: Financing and Controlling the Firm

First: **David Viniar (former CFO and current Director, Goldman Sachs)**  
Second: News, discussion, MF Global case (Smith)

Session 6: Serving Clients First, Doing it Ethically

First: News, Lecture by Zicklin  
Second: Mid term Exam

Session 7: Managing Technology

First: **CTO of a major firm**  
Second: News, Technology case re financial service firm (Smith)

Session 8: Managing People

First: **HR chief of major firm**  
Second: News, Zicklin lecture on Wall Street compensation (UBS case involving paying of bonuses in contingent capital bonds that could become worthless)

## Session 9: Globalizaion

First: Smith lecture on widening scope and complexity of managing global; businesses

Second: News, Case involving global financial firm (Smith)

## Session 10: Shadow Banks in the Non-systemic World

First: **Someone from BlackRock, KKR or Blackstone**

Second: News, Zicklin discussion of nonbank challengers to systemically important banks

## Session 11: A View of the Top

First: **Charles Ellis** (Author of *What it Takes* and *The Partnership*, analyses of qualities that lead to success in leading professional service firms)

Second: News, Discussion of lecture (Smith and Zicklin)

## Session 12: Sum Up

First: Review of the course, current events and any loose ends (Smith and Zicklin)

Second: Final Exam