



## Behavioral Risk Management

Understand the psychology of risk. Improve effective risk management in your organization.

Rated with  
**4.8/5**

Effective risk management involves a combination of quantitative and qualitative skills. Qualitative skills do not substitute, but instead complement and support quantitative skills. This course presents a framework for managing risks that relate to human psychology. In this regard, virtually every major risk management failure, if not catastrophe, in recent years has had psychological pitfalls at its root.

If you are responsible for risk management or wish to have a better awareness of risks within your

organization, if you interact with risk managers, or if you are a risk manager yourself, then this program will help you better understand the psychology of risk. At its core, the psychology of risk pertains to emotions, framing, personality, and judgmental errors. Through this program, you will acquire a vocabulary and skill set for analyzing the psychological dimension of risk management issues, thereby improving your effectiveness and the efficacy of your organization.

## How you will benefit

- ✓ Learn to identify how psychological hard wiring predisposes people to make systematic mistakes in the assessment and taking of risk
- ✓ Be able to assess and describe how risk management culture determines levels of operational risk
- ✓ Measure the reflection of sentiment in pricing and its connection to value and risk
- ✓ Understand how behavioral frameworks can be used to foster a risk management mindset for all professionals within the organization
- ✓ Build a behavioral toolkit through the use of case studies during the program

🕒 2 days

💰 € 2,500

★★★★☆ 3.9/5

📅 Check AIF.nl for dates

## Faculty

**Hersh Shefrin** is the Mario L. Belotti Professor of Finance at Santa Clara University. He is one of the pioneers in the behavioral approach to economics and finance. In 2009, his behavioral finance book *Beyond Greed and Fear* (2000) was recognized by J.P. Morgan Chase as one of the top ten books published since 2000.

Professor Shefrin is regarded as the world's foremost authority on the importance of incorporating behavioral awareness into the world of finance. Among his other books are *Behavioral Risk Management* (2015); *Behavioralizing Finance* (2009); and *Ending the Management Illusion* (2008).

Hersh Shefrin received his PhD from the London School of Economics in 1974. He also holds an honorary doctorate from the University of Oulu, Finland. He is frequently interviewed by the press and his work was profiled by BBC-TV in February 2014. He writes a regular blog for Forbes, intermittently writes for The Wall Street Journal, The Huffington Post, and Vox, and can be followed on twitter at @HershShefrin.

"I would recommend this program because of the challenging nature and the fact that psychology is relevant to all of us."

– Chief Compliance Officer  
Schretlen & Co, The Netherlands



This program is eligible for **12 CE credit hours** as granted by CFA Society VBA Netherlands

# Program Content

## Overview of Acquisition Finance: Structuring the Deal

This session presents an overview of the program - outlining advantages, risks and current trends in acquisition finance. Particular attention is given to sources of gains in acquisition finance and the opportunities and risks entailed in highly levered transactions. The following topics will be discussed:

- Timeline of the Acquisition Process
- How Acquisition Finance Creates Value
- Types of Deals
- Participants, Products, Risk and Return
- The Importance of Markets
- Motives for Acquisition
- The Whole Deal Approach:
- Understanding Participant Motivations
- The interaction of Deal Components

## Valuing the Target – a Quick Review

This session provides a review of valuation tools and models, discussing the strengths and weaknesses of each as well as their application to acquisition finance.

- Discounted Cash Flow
- Multiples
- Comparable Transactions
- Determining the Discount Rate
- Terminal Value and The Exit Process
- Valuing Synergies
- Specialized Cases:
  - Valuing the SME
  - Challenges of Valuing Privately Held Firms
  - Valuing Late-Stage Companies and Buyouts
  - Estimating Cash Flow for SMEs
  - Estimating Discount Rates for SMEs
  - Liquidity Discounts and Control Premia
- Different Approaches to Estimating Value
- Case Study

## Capital Structure - Theory

- How Capital Structure Creates or Destroys Value
- Capital Structure Theory – A Review
- The Three Impacts of Debt
- Debt vs. Equity
- Empirical Evidence

## Capital Structure – Practice

- Balance Sheet and Cash Flow Models
- Determining Discount Rates:
  - Public Companies
  - Private Companies
- Understanding the Cycle of Purchase Price Multiples
- Different Approach of PE re Valuation and Capital Structure
- Ideal Qualities for LBO Candidates
- Considering the Various Types of Debt and Equity

# Enrolling & Practical Information

## Enrollment requirements

AIF considers each enrollment application carefully to ensure the quality and level of the program is maintained and that participation of candidates is beneficial to both themselves and their organizations. The general prerequisite for all AIF programs is the possession of an academic or equivalent degree, as well as proficiency in English and practical experience.

## Accommodation

AIF has special corporate rates available for participants at a number of hotels in central Amsterdam.

## Certificates

An AIF certificate of attendance is awarded to all participants who successfully complete the program.

## Program location

The programs are held in the center of Amsterdam, within an easy walk from Amsterdam Central Station, and within 30 minutes from Schiphol international airport.

## Program fees

Program fees include tuition, all comprehensive program materials, books, and any software that is required for the program, as well as luncheons and daily refreshments. Accommodation is not included.

## In-company programs

For information on how AIF can add value to your organization via a tailored in-company program, please contact AIF directly at: +31 20 520 0160.

**Ready to learn more? Find your program and reserve your place at [AIF.nl](https://www.aif.nl)**

## About Amsterdam Institute of Finance

AIF is a global financial innovation and education institute headquartered in Amsterdam. Through our open enrollment programs in Amsterdam and our in-company programs throughout the world, we connect ambitious professionals with the best minds in finance and other related topics. Taking part in one of our programs is a direct investment in your personal future and the success of your organization.

### This is what makes the AIF experience unique:

- We believe in responsible, sustainable and inclusive finance
- Our clients, rather than profits, come first
- AIF is an independent and not-for-profit foundation, which allows us to cherry-pick our faculty from the world's leading business schools, such as INSEAD, Oxford, Kellogg, Cambridge Judge and others
- AIF delivers top quality programs. Our alumni give our faculty an average rating of 4.6 out of 5.0
- Enrollment in one of our programs means you become part of the AIF network, connecting you to professionals from more than 1,200 organizations in over 110 countries

