



Online - Advanced Valuation

Distinguish value creation from value destruction
and ensure competitive success

Professionals in all roles in business, from the C-suite executives responsible for investment decision-making and corporate finance strategy to all those who advise and support them, require an understanding of the value impact of business decisions. The field of valuation is full of short-cuts and rules-of-thumb which, while quick and pragmatic, may inadvertently result in damaging, or even catastrophic, investment decisions. In the field of valuation, it is all too tempting to slip into simple mechanical processes without analyzing why one is doing things in a certain way. Indeed, the failure to understand the deficiencies in the standard approaches, and inability to ask the right questions, may explain why so many investments and acquisitions result in the destruction – rather than creation – of value.

How you will benefit

- ✔ Understand the “why we do it that way” behind valuation concepts you practice daily
- ✔ Enhance your awareness of the key finance principles which underpin our approach for estimating the discount rate used in valuation
- ✔ Develop the capability to distinguish value creation from value destruction to ensure competitive success and the long-term survival of your company
- ✔ Learn and practice a process for conducting a data-driven, theoretically correct, valuation
- ✔ Be able to handle cross-border, emerging market, and other complicated valuations
- ✔ Question common practices and identify common mistakes and misunderstandings

In this program, you will be exposed to a conceptually challenging curriculum, exploring both the theoretical basis and practical application of the major elements of discounted cash flow valuation. You will learn to differentiate between long-term value-creating strategies and short-term indicators, such as share price, earnings per share, market share, revenue growth, increased profit and customer satisfaction. You will learn about the challenges of forecasting the important distinction between estimating expected future free cash flows and predicting future free cash flows. You will also learn how to understand and estimate the appropriate discount rate for the forecasted cash flows. Above all, you will learn to ask the questions that will build value for the future.

Faculty

Kevin Kaiser is Senior Director of the Alternative Investments Initiative and Adjunct Full Professor of Finance at the Wharton School of the University of Pennsylvania. He was Professor of Management Practice and on the finance faculty at INSEAD from 1992 until 2017.

Kevin’s research has focused on private equity, corporate restructuring and financial distress, more recently oriented around corporate governance and management for value creation. In addition to his research in academic and practitioner journals and newspapers, he has co-authored two books, *The Blue Line Imperative*, with David Young, and *Becoming a Top Manager*, with Michael Pich and I.J. Schecter.

Kevin Kaiser holds a BA (Honours) in Economics from The University of Western Ontario and a PhD in Finance from the Kellogg Graduate School of Management at Northwestern University.

🕒 4 days

📅 Check AIF.nl for dates

💰 € 3,950

Advanced Valuation will work through a series of conceptual and numeric examples, conducted as group work as well as in plenary discussion, in addition to a long case study enabling participants to deepen, and exhibit, their understanding of the fundamental concepts. These cases will also enable participants to practice the steps in the data-driven, unbiased,

valuation process being taught in this program. The process and the conceptual basis for this approach to valuation will be explained and elaborated on Day 1, and the refinement and application of the process will be further illustrated, and practiced by participants, in the case studies and class discussions of the remaining three days. The main topics to be covered include:

Program Content

Conceptual Basis and Building Blocks of DCF Valuation

- What is value and why do we care?
- Distinguishing price and value
- Defining value and distinguishing value creation from value destruction
- Distinguishing value creation from value transfer
- The economics of supply, demand and sustainable competitive advantage
- The connection between industry drivers of competitive advantage and valuation

Valuation Concepts

- Understanding and estimating the discount rate (the Opportunity Cost of Capital)
- Distinguishing key performance indicators from value drivers
- Performing historical/financial analysis
- Developing an unbiased, data-driven forecast of future cash flows
- Excel model building
- The mechanics of estimating continuing value

The Opportunity Cost of Capital and Complications

- Components of the discount rate (the Opportunity Cost of Capital), including the risk-free rate and adjustment for risk
- Incorporating risk – diversifiable versus non-diversifiable risk and asset pricing models (CAPM, APT)
- The impact of leverage and the Adjusted Present Value (APV) and WACC methods
- LBOs, emerging markets and other complications

"It gives new insights to valuation methods that we use on a daily basis. The conceptual way of teaching goes beyond simple mechanics and makes you think about why you are doing certain things in your daily work."

- Business Analyst,
Fund Investment Alpinvest The Netherlands

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.

Certificates

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

Program fees

Program fees include tuition and all comprehensive program materials and books that are needed for the program.

Online platform

AIF's online programs are held on Zoom.

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 organization which allows us to cherry-pick our faculty from the world's leading business schools, such as INSEAD, Oxford, 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

