Operations Performance Analysis

IOM-599
Spring 2013
Monday and Wednesday
8:00 - 9:20 am

Who should take the course?

Students who are interested in going underneath financial statements to get a better handle on firm valuation and plan to have careers as management consultants, analysts and analyst-facing CEOs and entrepreneurs, and private equity investors.

Course objectives

This course focuses on firm valuation via operations performance analysis. We will advance valuation skills based on examining operations, sharpen ability to justify investment recommendations, and explore operational turnaround practices.

Key concepts and tools

- Operational indicators
- Operational due diligence
- Operational turnarounds
- ROA trees
- Beneish model
- Altman Zscore
- Data envelopment analysis
- Rangan-Zolters-Becker model

Course description

How does one go underneath financial statements to get a better handle on firm valuation? Specifically, we will discuss which operational indicators best suggest future financial performance? How does one do operational due diligence? And what are best practices in operational turnarounds? In this class, you will learn frameworks, analytical tools, industry language, and personalities to help you confront questions like these in your future careers. This course uses case studies and you will work in a team consisting of 4 or 5 students.