

ADVANCED MANAGEMENT PROGRAM (AMP)

# Corporate Finance for Senior Managers

From performance measurement to capital decisions

Instructor	Prof. Dr. Astrid Schornick
Dates	April 15 & 16, 2026
Format	3 sessions: frameworks, case discussion, and peer exchange
Language	English

## COURSE OVERVIEW

Senior managers are routinely asked to make decisions with significant financial consequences: which businesses to invest in, how much leverage is appropriate, whether an acquisition creates or destroys value. This module builds a coherent framework for those decisions — starting from how to measure whether a business is genuinely creating value, moving through the financial structure choices that determine risk and return for investors, and culminating in M&A as a consequential form of capital allocation. The thread running through all three sessions is free cash flow: the number that accounting conventions cannot easily obscure, and the foundation on which all value-creating investment decisions ultimately rest.

## WHAT YOU WILL GAIN

<ul style="list-style-type: none"> <li>✓ Assess whether a business is creating or destroying value for investors</li> <li>✓ Read the DuPont decomposition as a strategic map: margin, asset efficiency, and capital structure as distinct levers of investor returns</li> <li>✓ Understand leverage as a financial multiplier — what it does to ROE, and what it does to risk</li> </ul>	<ul style="list-style-type: none"> <li>✓ Connect capital structure choices to the cost of capital and the firm's strategic flexibility</li> <li>✓ Evaluate organic vs. inorganic growth — when acquisition is the right tool, and what determines a fair price</li> <li>✓ Interrogate the load-bearing assumptions in a deal rationale or synergy case</li> </ul>
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## SESSION OVERVIEW

Session	Topic	Key Questions & Content
1	Making profits versus creating value	<ul style="list-style-type: none"> <li>– From profit to returns: ROIC as the right starting point for any performance conversation</li> <li>– DuPont as a strategic map: decomposing returns into margin, asset efficiency, and the leverage multiplier connecting ROIC to ROE and amplifying both returns and risk</li> <li>– From ROIC to EVA: is the firm creating or destroying value?</li> </ul>

Session	Topic	Key Questions & Content
2	Where should the cash go?	<ul style="list-style-type: none"> <li>– From accounting profit to free cash flow: what the business is actually generating for its investors</li> <li>– The capital allocation decision: reinvest, acquire, return capital – and the logic that should drive the choice</li> <li>– Cost of capital as the hurdle rate – and sustainable growth as the natural ceiling on reinvestment</li> <li>– How financial structure shapes both the cost of capital and the firm's strategic capacity to act</li> </ul>
3	To build or to buy? and what to pay	<ul style="list-style-type: none"> <li>– When acquisition beats organic growth – and what each rationale implies about the assumptions in your model</li> <li>– Valuation in practice: what the method forces you to make explicit, and where the real uncertainty lives</li> <li>– Why deals destroy value: the systematic gap between announced synergies and delivered ones</li> <li>– Discussion: given a deal rationale, which assumptions are load-bearing and deserve honest scrutiny?</li> </ul>

#### PREPARATION & MODULE MATERIALS

- **Before the module:** No formal pre-reading required. Participants are invited to identify one capital allocation decision from their own experience: an investment project or business deal that was pursued or passed on, one where the financial logic was harder to pin down than the strategic narrative. These will be drawn on in discussion.
- **Module Content:** Session slides and group work materials will be distributed at the time.

#### SUPPLEMENTARY READING

- **Book Suggestion:** if you would like to accompany the module with readings, the book Hawawini & Viallet, *Finance for Executives* (8th ed.), Ch. 1 gives a concise overview of value creation concepts. Ch. 4 provides a review of financial statements and their interpretation, including the cash flow statement. The module itself will cover selected topics in Hawawini & Viallet, Ch. 6 and Ch. 15, which can be read as supporting material. No advance reading is required.

#### A NOTE ON OUR DISCUSSIONS

This is a high-trust learning environment. The most valuable discussions in executive programs come from the experience in the room: the lived distance between spreadsheets and execution. Participants are encouraged to contribute candidly.

#### INSTRUCTOR

**Astrid Schornick**  
Prof. Dr.

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Faculty member at CBS since 2017; member of the presidium since 2023.  
Teaches financial reporting, corporate valuation and asset management in EMBA programs at CBS, WU Executive Academy Vienna and Bucharest. Previously on faculty at INSEAD; PhD from London Business School (2007). Research in global capital flows, exchange rates and asset prices.  
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