SCOTT GALLOWAY AND DAN GODE

Plans are Useless, Planning is Invaluable
— Dwight D. Eisenhower

OBJECTIVES

Buttress your valuation and critical-thinking skills in the pursuit of alpha: and
Provide insight into the technologies and platforms reshaping business.

OVERVIEW

Time: 6:00PM–9:00PM

Dates: MONDAY February 6, 13, 27, March 6, 20, 27.
No class on February 20 (President's Day) and March 13 (Spring break).

This is a half-semester course with six three-hour class sessions. The first five sessions will be lectures co-taught by Scott Galloway and Dan Gode. The last class will be student presentations. Each class will be split into halves. Scott Galloway will lead the first half to discuss a strategic "narrative" that drives value, and Dan Gode will lead the second half to discuss the numbers behind the valuation and if the "narrative" (i.e., value) is already priced into the stock price.

NARRATIVES

The five class sessions will explore the following themes:

- **Digital IQ** How competent is the organization across 4 dimensions of digital: Site; Digital Marketing, Social Media; and Mobile.
- **Amazon IQ** How effective is a company in leveraging the Amazon platform or similar marketplaces?
- **Social Platforms** Which platforms are gaining/losing tractions with consumers/advertisers and why?
- **Death of Advertising Industrial Complex** Traditional advertising is losing effectiveness as consumers shift away from linear ad supported formats to over the top services and platforms.
- **Multi-Channel Retail** The consumer does not live in isolation of any one medium. The most successful retailers employ physical and digital distribution, with a mobile device serving as the connective tissue.

Professor Galloway will discuss each theme and present companies that have executed well or poorly against the theme. Many companies will be discussed, however, two companies will be discussed in detail in each class.

NUMBERS

Professor Gode will then follow-up with a detailed analysis of financial performance and discuss if the expected success or failure of the company, premise on the strategic narratives, is already priced in. The financial analysis will consider the following value drivers of the company:

- Size: Economies of scale and scope
- Growth: Market potential and market share
- Margins: Pricing power, operating efficiencies, sourcing advantages
- Net operating asset intensity: Business models, balance sheet optimization
- Business risk: Volatility and operating leverage
- Financial risk: Financial policy regarding financial leverage and liquidity

We view this course as a capstone (and fun) course that brings together many subjects you have learned at Stern with particular emphasis on strategy and marketing and their links to financial statements and valuation.

SPECIALIZATIONS

The course is expected to count towards the following specializations:

- Marketing
- Digital Marketing (approval pending)

DISCLAIMERS

Classes are not videotaped unless there is a special session.

Please do not contact us with systems issues such as registration (We have no say in the waitlisting process), access to NYU classes, or not receiving email from the waitlist even if someone in Stern IT tells you to do so. It is their job to fix these issues. There is nothing we can do if you don't have access to NYU Classes or the mailing list. Access to all systems is synchronized with class list provided by the registrar.

Only registered students will be allowed to sit in this class. We will not grant permissions to anyone to sit in the course without being registered in it. Classes are not videotaped unless there is a special session.

PREREQUISITES

The course requires an understanding of strategy, marketing, operational execution, and financial statements. Be prepared to work across disciplines.

HELP AND OFFICE

Scott Galloway

scott@stern.nyu.edu
917-567-2841

Shannon Carrier, Personal Assistant
shannon.carrier@l2inc.com

Alex Gleeson, Teaching Assistant
amg1036@stern.nyu.edu

Dan Gode

dgode@stern.nyu.edu
212-998-0021
Office: KMEC 10-86

Halima Khan, Administrative Assistant
hkhan@stern.nyu.edu
212-998-0003
Office: KMEC 10th Floor

MATERIALS AND COURSE DESIGN

- We will use materials written by us. There is no required textbook. Because of copyright and contractual restrictions, many handouts are distributed only on paper.
- Each student will receive temporary member access to L2 research that addresses many the themes from class (ww.L2inc.com).
- If you are going to miss a class, ask a colleague to pick up handouts for you. It is difficult for us to carry these back and forth.
- There are no extra copies. If you lose your copy, you will have to make copies from your friends' handouts.

ASSIGNMENTS

There are case submissions due each week. You will be working in teams of four students. Each team will be assigned one of the two companies listed below.

EXAMS AND GRADING

If you have a qualified disability and will require academic accommodation during this course, please contact me directly. I will arrange a separate room/time for you.

Grades will be based upon the following factors:

25% Attendance, professional conduct in class

You will lose points for every missed class unless you have a medical emergency, family emergency, confirmed interview, or required work travel for Langone students. No other reasons will be accepted unless you have pre-cleared them with Alex Gleeson (TA).
If you have a medical or family emergency, do not worry about the course. Take care of the emergency and email us later.
If you are more than 10 minutes late, you will be marked absent.
Please bring your name plates to each class and sit in the same seat.
Teams should sit together.

25% Case write-up each week

50% Final presentation

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SCHEDULE

1. Digital IQ
   - For class discussion: Home Depot, Prada
   - For homework: Coty, Unilever
2. Amazon IQ
   - For class discussion: Philip Van Heusen (PVH), Walmart
   - For homework: Carrefour, Kimberly Clark
3. Social Platforms
   - For class discussion: Facebook, Twitter
   - For homework: Snapchat, Line
4. Death of Advertising Industrial Complex
   - For class discussion: Google, WPP
   - For homework: Disney, Viacom
5. Multi-Channel Retail
   - For class discussion: Williams-Sonoma, Ascena
   - For homework: American Eagle, The Limited