### Summer course: Entrepreneurship through acquisition and succession

**Points:** 4 EC

**When:** 2-week intense summer course (6 - 17 July)

**Contact hours:** 60 hrs.

**Group size:** between 10 and 30 students

**Minimum previous education requirements:** 3rd-year bachelor, having a target company or family firm available.

**Price:** 995 euro for course + materials

**Examination:** case pitch at the end of the week, active participation in all modules, filling in and discussing all psychometric tests.

**Mandatory preparation:** before starting the course various online tests and documentation has to be filled in. The results will be discussed in class. It concerns a description of the target firm, and your entrepreneurial scan and barriers assessment scan. In addition, a letter of motivation needs to be sent to the course coordinators in order to be well prepared for the course. When admitted reading material as well as video material will be shared for preparation purposes.

**Course leaders:** prof. dr. Lex van Teeffelen, dr. Edwin Weesie, local lecturers: to share knowledge and adapt to the local legislation and cultural differences the modules lax and legislation, as well as financing and valuation, can be given by local lecturers.

**Planning:** The introduction of the student and professors will take place on the Friday evening before the start of the program.

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<td>1</td>
<td>Entrepreneurial exit &amp; business transfer ecosystem</td>
<td>Franchising</td>
<td>Due Diligence</td>
<td>Psychological barriers &amp; coping</td>
<td>Financing &amp; valuation</td>
<td>Cases and practical feedback</td>
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<td>3</td>
<td>Due Diligence</td>
<td>17:00: Opening ceremony Utrecht Summer School @ Janskerk</td>
<td>Company visit</td>
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<td>Psychological barriers &amp; coping</td>
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<td>Financing &amp; valuation</td>
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Evening program: informal drink & dinner
### Introduction

Are you a possible successor in the family business, or do you want to start your own business? Are you interested in an acquisition? Then this course is really something for you. Upcoming entrepreneurs are prepared during this summer course for buying, purchasing a share or taking over a complete SME business, whether or not within a family business.

You follow modules such as Acquisition and Entrepreneurial qualities, Tax and Legal aspects, Due diligence, Strategic plan after acquisition and innovation, Psychological barriers and Financing and Valuation. We work with real cases and companies that are for sale.

The past 8 years 200 students were supported by this programme in the Netherlands. Around 50 students bought (several) companies or became successors in the family firm. Others decided to get more experience in work or management positions. The winners and runners-up were always offered financial arrangements by market parties.

We will use some former students cases as examples how to approach entrepreneurship through business transfer. The course prepares you for purchasing company within the near future and can take place gradually under the wings of our academic team and/or local universities/partners. In this program, we will actively look for financing for the acquisition, takeover or succession. This is the real deal without the students being obliged to proceed to a transaction. We pay special attention for those who work in a family business.

### Modules:

- Acquisition and entrepreneurial qualities
- Fiscal tax and legal aspects
- Financing and valuation
- Psychological barriers and family business
- Strategic plan after acquisition and innovation
- Due Diligence
- Franchise
Specifics of modules:

Acquisition and entrepreneurial qualities: The buying process that you go through can be summarized in the following 7 steps: 0. Identify own entrepreneurial qualities and strategic alternatives, 1. Business analysis and search, 2. Strategic plan for acquisition in the first three years after acquisition, 3. Legal and fiscal structure: ownership and financing structure, 4. Value approach and determination price range, negotiations with (adviser) salesperson, 5. Declaration of Intent (LOI = Letter of Intent), 6. Due diligence, 7. Contract and Closing.

The acquisition and entrepreneurial qualities course deals with the orientation of the entrepreneur beforehand. Important questions that are addressed are:

- How does the business transfer ecosystem look like?
- Where do I start when I want to buy a company and how does the process work?
- What do I buy and what will be my future role (in the family firm)?
- What type of entrepreneur am I? Where is my strength, what am I less good at?
- What are the advantages and disadvantages of taking over a (family) company?
- What are characteristics of successful sellers, successful buyers and successful firms after succession?
- What is the role of advisors and business brokers? Can I recognize deal makers and deal breakers?

The Entrepreneurial Qualities section deals with these questions on the basis of evidence-based methodologies and (mostly) academic publications as well as psychological tests which will be filled in before the start of the course.

Course leader: prof. dr. Lex van Teeffelen

Tax and legal aspects: This section covers tax and legal aspects in transfer and takeover. Important questions that are addressed are:

- What are the most important ownership structures and what are the advantages and disadvantages of transfer and acquisition?
- What are the tax consequences of business transfer and takeover?
- What special tax facilities are available for entrepreneurs?
- Which transfer constructions are possible and what does this mean legally and fiscally?

The section deals with these questions on the basis of legislation, casuistry of frequently used methodologies in your local economy. Course leader: local professor/lecturer

Financing and valuation: After a thorough business analysis of the branch and the company to be acquired took place in previous steps of the acquisition process, the historical and expected profits and cash flows are analyzed and forecasted. Partly on the basis of the risk profile of the company, a valuation is made by means of different calculation methods and in various scenarios. The valuation leads to a bandwidth within which the negotiations with the seller should lead to results. The difference between value and price is discussed. Extensive attention is also paid to the financing of a company takeover. Discussed: the assessment of the financing capacity of an SME, setting up a good financing structure, making use of all possible ways of financing and the financing process for business takeover. Learning objectives are:

- To make a good cash-flow analysis for the financing of a business transfer
- To make a good estimate of the risk profile of the company involved
- To evaluate and interpret a valuation report
- To calculate the financing capacity of the company (s) involved in a business takeover
- To estimate the financing requirement for a business takeover
- To develop a good financing structure for succession. To create a compact and yet complete credit proposal

Course leader: local professor/lecturer of prof. dr. Lex van Teeffelen
Psychological barriers and family business: This section investigates how company owners cope with the psychological barriers experienced in business transfer situations. Transfer of ownership mostly happens only once in a lifetime and therefore business owners are relatively unfamiliar with the process. Intangible aspects such as psychological challenges hardly come up for discussion in transfers themselves or in research. This section fills that gap. Questions that are discussed are:

- Which psychological barriers are experienced by the selling entrepreneur?
- Which psychological barriers are experienced by the buying entrepreneur?
- Which coping strategies do entrepreneurs use in daily life and which ones are effective?
- How do both groups cope with the specific psychological barriers?
- Can we find evidence for emotional / family pricing effect?

Course leader: dr. Edwin Weesie

Franchising: This section investigates the franchising business model and investigates the pros and cons of this model. The aim is that participants can make an educated choose from their own ambition or objective whether franchising is a suitable form of entrepreneurship. Questions that are discussed are:

- What are the general starting points of Franchising? Definition and location and to what extent does it differ from other forms of enterprise?
- What is the role of the Franchisee as an entrepreneur? What kind of an entrepreneur am I? Where is my strength, what am I less good at?
- What details should I look for at Franchising given the fact that there is also a Franchisor?
- What are the legal aspects? How does a good contract come about?
- In what way is the cash flow divided between Franchisor and Franchisee? Which other financial matters should I pay attention to?
- How do I make a choice which Franchise belongs to me? How can I separate the wheat from the chaff in a country where more than 700 franchises are offered?

Course leader: drs. Jeroen Berendsen

Due Diligence: The Due Diligence course relates to verification of all the documentation of the company. Discussions are held with both buying and selling entrepreneurs to find out what the success and failure factors are in the transfer of a company. Important questions that are addressed are:

- Are the things that are represented by the selling party correct?
- What developments have taken place in the past?
- How can connections be found with the future?
- What is the projection of the existing portfolio in the future?
- Are there other parties to cooperate with or to purchase services/products?
- Are there synergy possibilities with the current activities?
- How can it best be negotiated?
- Which personal techniques can be applied?

The Due Diligence section deals with these questions based on a current case study in which the various teams of students interview the successor and the selling party. The Due Diligence course uses qualitative and quantitative research into the success and failure factors.

Course leader: dr. Edwin Weesie and/or prof. dr. Lex van Teeffelen
Strategic plan after acquisition and innovation: This section is a direct follow up of the due diligence course. The Strategic Plan after Takeover and innovation relates to the orientation of the entrepreneur before and during the discussions with the selling party. Important questions that are addressed are:

- What growth and/or change options do you see for the company?
- Which (new) services/products do you want to offer?
- Which new markets or market segments do you want to enter?
- Are there other parties to cooperate with or to purchase services/products?
- What does this mean for the organization of the organization and cooperation with partners?
- How do you make the change?
- What are the costs for changes and what do they deliver?

The Strategic Plan after Takeover part deals with these questions based on Business Model Innovation a methodology design.

Course leader: dr. Edwin Weesie

For further information, please contact dr. Edwin Weesie,

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