

INSEAD



The Business School
for the World®

CORE COURSES

Business Ethics (this is a non-credit bearing core course and it runs across periods 1 and 2). This course informs and stimulates your thinking on the ethical issues encountered in business and it prepares you to recognise and manage these issues as they arise in your future career. Using a rich mix of case studies, exercises and contemporary examples, it explores the ethical and social-responsibility challenges of the global business environment from the perspective of the manager. The course will also provide you with frameworks to analyse the ethical issues you will face, building on and strengthening your own standards of integrity and professionalism. In addition, the course covers key organisational drivers of ethical – and unethical – conduct. Finally, it explores both the “business case” and the “moral case” for corporate social responsibility (CSR).

Period 1

Financial Accounting

Accounting is the language of business. And financial accounting/reporting is about communicating in that language to people outside your company. Understanding how accountants decide what information to report, how they aggregate it and the uses to which it can (or cannot) be applied is one of the fundamental building blocks of any business education. Hence, a significant component of this course is about taking basic “textbook knowledge” and applying it to interpret “real world” corporate financial statements. You will learn to be a critical user of financial statements and develop sensitivity to the managerial assumptions, policy choices and soft estimates that are embedded in a firm’s reported figures.

Organisational Behaviour 1

The purpose of this course is to increase your effectiveness and skill in observing, understanding and leading behaviour in organisations. It is a class in applied behavioural science, which takes ideas and frameworks from psychology, social psychology and sociology – and explores their implications for leadership and managerial practice. It is also designed to launch your study group at INSEAD and turn it into a laboratory for your personal learning. Sessions cover issues such as: communication in organisations; the role of individual differences in explaining behaviour; influence in a group setting; giving and receiving feedback; managing work; negotiation; and leadership.

Financial Markets and Valuation

This introductory finance course covers fundamental concepts in corporate finance and capital markets. The goal is to give you a set of tools and analytical frameworks that will prove useful, regardless of your eventual career. The first part of the course covers basic valuation concepts and techniques, such as “time value of money” and discounted cash flows (DCF). It also gives you an understanding of how to make value-creating investment decisions and how to use the DCF approach to value a company. The second part delves deeper into the trade-off of risk versus return and teaches you how to apply these concepts to optimise investment portfolios. It also looks at the difference between systematic and unsystematic risk – and the implications for calculating a company’s cost of capital and market value. Finally, the third part investigates executives’ financing choices and the effect of borrowing (leverage) on risk, return and the value of the company.

Prices and Markets

Ultimately, it is the prices paid and charged by a company that determine how economic value is divided between the business, its consumers and its suppliers. This course teaches you how to use structured thinking based on microeconomic theory to understand how economic fundamentals – such as demand, cost, market structure and government policy – shape the prices that prevail in a market. By the end of the course you will know how to: construct a fact-based, logically grounded analysis of a competitive market; identify the categories of costs that are relevant for critical business decisions; construct models of how government interactions affect prices; make profit-maximising price decisions based on the interplay between cost and demand; and use several useful game-theory based models of competition.

Uncertainty, Data and Judgement

The goal of this course is to provide a solid foundation in probability and statistics for subsequent courses at INSEAD and for a management career beyond. After all, most management decisions are made under conditions of uncertainty. So you will need a framework for thinking about problems involving uncertainty and, building on this framework, some tools for interpreting data. These are precisely the tools and frameworks that this course provides. While some technical analysis is essential, the content is presented from the perspective of a future manager, rather than from the viewpoint of a technician. As well as learning from lectures, exercises and case studies, you will use computer software to make calculations and analyse data.

Period 2

Corporate Financial Policy

Following the financial innovations of recent decades, modern corporate finance has become a highly complex area of expertise. Hence this course, which consists of three parts. The first provides you with an introduction to basic derivative securities, in particular options, futures and forwards. The main focus is on understanding how these instruments are priced, and who trades them and why. The second part covers the application of options pricing to corporate finance. It gives you an insight into real options, the valuation of convertible securities, executive stock options and risk management. The third part gives you a grounding in the traditional topics of corporate finance: financing policy (beyond the Modigliani-Miller theorem), pay-out policy (dividends versus share repurchases) and investment policy (the special case of mergers and acquisitions). The material is analytical and you will need a working knowledge of basic mathematics and statistics.

Marketing Management

Imagine you want to start your own business and need to sell a new product or service. First you must understand the market you are going to be operating in. How big is it? Is it growing? Who are the main players? What is the competition like? But this knowledge is not helpful without a second step: understanding how potential customers make their choices and how to “segment” them into different groups. Third, you must develop your long-term marketing strategy – by choosing a target segment and defining the benefits of your product or service for these customers. Fourth, you must make your tactical decisions – about how to communicate, deliver and capture the customer value. Finally, you have to monitor performance continually. These steps are at the heart of marketing management and will be the focus of this course. Remember, marketing is a process and not a company function!

Organisational Behaviour 2

While Organisational Behaviour 1 focuses on your self-knowledge and team leadership skills, this course is about the way entire organisations behave. It helps you develop the knowledge and skills to analyse key issues in organisational structure, power, influence, culture, change and governance. During the classes you will take three different perspectives on organisations: first, strategic design or organisational architecture; second, power and politics; and third, cultural issues (or “anthropology”). It also looks at incentive structures, organisational change, managing across cultures and corporate governance. As well as case studies, lectures and videos, you will also participate in an interactive computer simulation of change management. Be prepared to leave your comfort zone!

Managerial Accounting

This course is an introduction to the use of accounting information for internal planning, decision-making and performance evaluation. The main objective is to equip you with the knowledge to understand, evaluate and make practical decisions on the many financial reports used in modern companies. An internal accounting system serves two fundamental purposes. First, it supports decisions about products, processes, assets and customers. Second, it plays a key role in providing incentives to managers at all levels – and evaluating their performance. This course focuses on both – and reveals that many companies have failed to provide their managers with useful information in the past. You will discover how a managerial-accounting system should be designed and the mechanics of the many techniques used to prepare management reports.

Process and Operations Management

Businesses create value by supplying products or services to satisfy customer demand. But the inflexible nature of both supply and demand can lead to costly mismatches between them – resulting in unsatisfied customers or wasted resources. In this course, you will acquire techniques to limit the occurrence and the impact of such mismatches... and thus gain a competitive advantage for your organisation. The course has two parts. First, in Business Process Analysis and Improvement you will study tools and case studies that enable you to analyse, improve and design activities within the company. Second, in Supply Chain Management you will turn your attention to the external environment: sourcing raw materials and delivering goods to the customer.

Strategy

Why are some companies consistently successful, while others are left behind? What can executives do to drive performance and growth in the face of intense competition, uncertainty or even radical industry disruption? This course explores some of the critical challenges you'll face as a manager designing the course for your organisation. The focus will be on identifying the key drivers of persistent superior performance in different settings – and using that understanding to formulate better strategies. The course is structured into three parts. The first looks at business unit strategy and introduces you to the key concepts of competitive strategy with which to conduct industry analysis. The second covers developing strategy – with a special focus on value innovation and the challenges/opportunities arising from external competitive dynamics and internal organisational dynamics. The third is about corporate strategy in firms with multiple business units.

Period 3

International Political Analysis

As every issue of the *Financial Times* illustrates, politics is a major force in shaping business worldwide. As you progress in your business career towards higher-level management, your ability to assess and handle the political environment will become an increasingly significant skill. This is particularly true if – like most INSEAD graduates – you will be doing business internationally or outside your home country. The purpose of this course is to help you develop this vital ability. Sessions cover issues such as: understanding politics; state structures; varieties of capitalism; industrial policy; international and regional regimes; the future of international politics; international political economy and the WTO; and the power of NGOs.

Macroeconomics in the Global Economy

Individuals, companies, governments and international organisations all operate within an economic environment that influences their performance. In order to minimise the risks and to capitalise on opportunities arising from macroeconomic conditions, companies must constantly monitor changes in interest rates, exchange rates, monetary/fiscal policy, inflation, unemployment and phases of the business cycle. The goal of this course is to build your understanding of these mechanisms – and the way they determine the evolution of the global economic environment. The focus is highly applied. It relies on collecting and manipulating economic data (each group is assigned a different country) and reading prescribed press articles (usually from the week preceding the session).