



STANFORD UNIVERSITY

ROCK CENTER FOR CORPORATE GOVERNANCE STANFORD

## **The Stanford Senior Executive Leadership Program**

Selected topics in

- Corporate Governance
- Law
- Finance & Accounting
- Leadership
- Capital Markets
- Risk Management

***INSPIRE. INNOVATE. LEAD.***

### **Why the Stanford Senior Executive Leadership Program?**

The Stanford Senior Executive Leadership Program is a nine-month flagship executive program offered by Stanford Rock Center, a joint initiative of Stanford Law School and the Graduate School of Business at Stanford University. The program is designed to help top executives identify and understand critical topics that play a central role in the success and failure of corporate activities. The course will help prepare executives to assume greater leadership roles within the enterprise or transition to broader roles within the organization. Topics explore divergent viewpoints and provide a forum for the discussion of complex issues such as understanding the influence of institutional investors, leading the growth of a firm through effective human network, looking through the numbers in the financial statements, navigating through financial crisis and the possible double-dip recession, and practicing the best corporate governance standards under tighter regulatory scrutiny.

Participants in the program embark on an academic journey that prepares them to successfully navigate the highly volatile issues and confront many of the diverse challenges facing top executives and corporate leaders in today's dynamic global marketplace.

### **Learning Objectives: Broaden Your Horizons**

The Stanford Senior Executive Leadership Program accelerates the executive leadership training process by transforming the way participants think and manage internal and external challenges. Participants in the Program will be able to:

- Understand the essential questions that board members should be asking outside experts regarding finance, disclosure, governance, succession planning, compensation and litigation.
- Apply critical analytic skills and consider alternative frameworks for problem solving.
- Formulate practical leadership strategies involved in building and then utilizing a world-class network of relationships so as to boost career development and improve the effectiveness of their organizations.
- Build confidence to make complex decisions, deal with uncertainty, and handle ambiguity.
- Tap into a new network of executive high achievers from leading companies and organizations.

### **What You Can Expect: Actionable Learning**

Interactive learning is emphasized throughout the program. The instructional methods stimulate new thinking and encourage you to examine and reformulate both your approach to complex analysis and problem solving. You will be placed in small groups to work through case projects and problems for class discussion. To provide an exceptional experience of peer learning, participants in the program are carefully chosen on the basis of their credentials and for their potential to contribute meaningfully to the classroom experience. Every facet of the program is crafted to promote dynamic exchange and shared learning within a diverse and talented peer group. You will find yourself studying with an outstanding group of peers whose insights and perspectives will impact your thinking, as much as your interactions with the faculty.

### **The Curriculum: The Ultimate Learning Experience**

The sessions are taught by world-class faculty members from Stanford University and a variety of industry leaders from companies such as Goldman Sachs, KKR and McKinsey. The Program provides the opportunity for executives in Greater China to step back from day-to-day responsibilities in order to acquire a more global perspective and learn new skills essential to the successful leadership of their organizations. This program provides an innovative curriculum to deliver the highest level of multi-disciplinary knowledge and leadership expertise in the following areas:

- Institutional Investors and Global Capital Markets
- Strategic Accounting and Finance
- Leadership Through Sustained and Effective Human Networks
- Corporate Governance and FCPA practice
- Risk Management

#### *Institutional Investors and Global Capital Markets*

The class will explore the current trends in the aggregation of capital in the hands of various (often global) institutional investors including government pension funds, private pension funds, sovereign wealth funds, mutual funds, private equity groups, and other alternative investment vehicles. We will identify and analyze the impact of institutional investor influence on trends in modern corporate governance and, in turn, the resulting impact on corporate behavior and operations. Since the phrase "institutional investor" is extraordinarily broad and ill-defined, we will spend time identifying the attributes and characteristics common to different types of institutional investors and will carefully explore how each type of institutional investor generally behaves when considered in the context of a "shareholder" or "owner" of both public and private corporations. Both the theoretical concepts of capital allocation and the practical impact of institutional investing will be evaluated through the use of case studies and hands-on exercises.

### Strategic Accounting and Finance

This class will teach students several of the most important elements of accounting and finance with an emphasis on common areas of misunderstanding. Exercises and cases will focus on methods that are most likely to yield practical and useful insights when confronting complex corporate challenges.

The accounting portion of the session will cover:

- The Balance Sheet and its components: assets, liabilities, sources of financing with attention to where US GAAP and IFRS differ.
- The Income statement: with an important discussion about what is NOT its purpose - to report income. Once this is understood the session will focus on what is its purpose: to report why income was what it was, so that comparisons can be made across time and companies.

In the process of developing the concepts above, students will learn the vocabulary of bookkeeping—not because executives might ever keep their own books, but so they are not stymied by the vocabulary of ledgers, journals, accounts, control accounts; contra accounts, footing, posting, adjusting, closing.

Additional topics will include: Accrual v. Cash-based accounting, Revenue v. Receipts, Expenses v. Expenditures and the fundamental principles of revenue recognition.

The session will impart the most recent best practices (and advanced methods) concerning the Statement of Cash Flows. Students will learn how to truly understand the Statement of Cash Flows and identify the superiority of the direct method over the indirect method for reporting Cash Flows from Operations.

The finance portion of the session will cover several practical areas of applied finance. The sessions will evaluate and deconstruct the key issues of corporate finance that confront senior executives, directors, and other managers. We will review how managers should make investment decisions and what tools capable executives might use to study and evaluate those decisions. Topics include simple and complex discounting, cash flow analysis; free cash flows, and the incorporation of probability analysis in investment decisions. Discussion will include the role of the cost of capital, how to measure the cost of capital, and how those who manage subordinates that allocate capital might think more clearly about risky projects. We will review the modern relevance of the various Modigliani-Miller (MM) financing propositions and conduct hands-on exercises to demonstrate the different outcomes that result from the use of the various accepted methods of financial analysis.

### Leadership Through Sustained and Effective Human Networks

Leadership is an elusive concept and an over-used term in today's corporate environment. This class will focus on the practical strategies involved in building and then utilizing a world-class network of relationships that enable the best senior executives to excel in their careers and improve the effectiveness of their organizations. Instead of the traditional "connections as entry points to promotion", the session will focus on connections and relationships as an opportunity to facilitate solutions to difficult problems and, in turn, accelerate corporate and career growth. The class will examine case studies and the underlying theory of the "network effect" (a phenomena that is present in the impact of connected computers but applies almost as readily to the effectiveness of connected human executives). Through an examination of several examples taken from real world corporate problems, the class will derive best practices concerning how an executive should find and nurture a varied network of contacts, how those relationships can and should be ethically sustained, and how all parties to these relationships can benefit when an imaginative executive conceives of this network as a web of potential collaborative solutions and not just contacts for access or advancement. In an era of increased competition and challenging economic problems, this course will leave students with the tools to expand their leadership capacity while enhancing their overall effectiveness as executives.

### Corporate Governance and FCPA practice

The session will examine the professional points of contention surrounding corporate governance and, through case studies and student exercises, give special attention to issues of executive compensation. Students will learn a general framework that can be used to describe the various facets of corporate governance both globally and in the U.S. By way of a review of the literature and publications of Stanford's Rock Center combined with discussion of recent news coverage, students will develop an understanding of the core corporate governance concepts that have a practical impact on global corporate behavior and performance.

After this portion of the course, students will understand the debates about popular "best practices" in corporate governance, be able to make practical decisions about corporate governance in general business settings, and have many of the tools to critically evaluate proposals about or claims as to the effectiveness of various corporate governance practices.

The Foreign Corrupt Practices Act has emerged as one of the single most difficult and costly areas of compliance for U.S. based (or US affiliated) companies dealing with international activities – particularly with those companies with operations in Asia. The FCPA threatens to loom even larger in the coming years for these companies, their partners, their subsidiaries, vendors, and shareholders. This section of the course will identify what senior managers,

executives, and directors should understand about the Act, its requirements, and potential penalties for its violation. In addition, we will review how a senior executive can attempt to determine whether his or her company (or customer company) is susceptible to charges of violations and under what circumstances special or extraordinary attention is merited. Several examples of recent or significant enforcement actions will be reviewed by the class and incorporated into hands-on exercises and discussions.

### *Risk Management and Crisis Avoidance*

This class is a unique and cutting edge treatment of the important topic of corporate or enterprise risk. The course will take an interdisciplinary approach to the concept of corporate risk by blending the concepts of accounting, finance, corporate governance, management operations and the law to evaluate the sources of corporate risk and identify the best methods to manage this risk. A review of recent corporate crises and related responses will serve as fresh material for class discussion and exercises.

The course will review (or introduce) certain advanced elements of accounting that are often implicated in various types of corporate risk. These include long-term liabilities; leases; long-term assets, amortization, and impairments; deferred income taxes; investments; and financial instruments. Similarly advanced topics in finance will highlight probability analysis and related common errors, the newer theories of options analysis and capital allocation, and the methods and statistics of crisis prediction and analysis.

The course will address the increased risks associated with global, complex enterprises, and the importance of analyzing information flows within the organization. We will discuss how to ensure that the right people are in key positions to manage and oversee risks and how to spot the "red flags" indicating increased risks may exist. There will be a practical evaluation of the common pitfalls companies experience when faced with real risk management issues (the instinct to minimize issues, cover up, and then disclose too early or too little), and a case analysis to demonstrate the need to focus on process within the corporate environment.

## ***The Faculty: Stanford's Distinguished Scholars and Practitioners***

The Stanford Senior Executive Leadership Program is developed and taught by a seasoned faculty team from Stanford University and supplemented by leading practitioners with significant experience in both academic and professional environments. The faculty are readily accessible and available for both formal and informal discussion during and after class

### **Daniel Siciliano**



#### *Overview*

- Juris Doctorate, Stanford University.
- Faculty Director, Arthur and Toni Rembe Rock Center for Corporate Governance.
- Associate Dean for Executive Education and Special Programs, Stanford Law School.
- Founder of LawLogix Group, Inc. (an Inc. 500 Company).
- Co-director, Directors' College.

#### *Areas of Business and Academic Interest*

- Serves as a governance consultant and trainer to board directors of several Fortune 500 companies.
- A member of the Academic Council of Corporate Board Member magazine.
- Named as one of the 100 most influential people in the boardroom and corporate governance community by Directorship magazine in 2009 and 2010.

### **Lionel M. (Lon) Allan**



#### *Overview*

- Juris Doctorate from Stanford University
- Chairman, Silicon Valley Chapter, National Association of Corporate Directors
- Speaker, Stanford Directors' College
- Speaker, Hass Graduate School of Business, UC Berkeley; Directors' Consortium, University of Chicago; National Association of Corporate Directors; American Bar

Association;

- The State Bar of California
- Chairman Emeritus, The Harker School

#### *Areas of Business and Academic Interest*

- An outside director on the boards of a number of companies, including: NetLogic Microsystems, Inc. (Chair, Governance Committee); Catalyst Semiconductor, Inc. (Chair, Governance Committee; Chair, Compensation Committee); Galvantech, Inc.; Global

Motorsport Group, Inc. (Vice Chair of the Board; Chair, Audit Committee); Accom, Inc. (Chair, Audit Committee); Louth Automation, Inc. and Groth Vineyards and Winery.

### Alex Gould



#### *Overview*

- CEO, Revolution Media, a firm focused on exploiting the convergence of traditional media and technology.
- BA in Economics, Mathematics, and History at the University of Pennsylvania. Juris Doctorate, Stanford Law School.

#### *Areas of Industrial and Academic Interest*

- Has worked at the Stanford Management Company on the venture capital/private equity portfolio, at Voyager Capital as a venture capitalist, as a serial entrepreneur, founder, and/or board member of several companies in multiple spaces including digital media, gourmet food, and internet search, to name a few.
- Has lectured and taught continuously at Stanford since 1997 in the Economics Department, the Law School, and in the Stanford Technology Ventures Program.
- Taught senior economics seminar in Venture Capital and Entrepreneurship at Stanford.

### Joseph A. Grundfest



#### *Overview*

- Senior Faculty, Arthur and Toni Rembe Rock Center for Corporate Governance
- Board member of KKR, Financial Engines and (previously) Oracle Corporation.
- Prominent expert on capital markets, corporate governance, and securities litigation.
- His scholarship has been published in the Harvard, Yale, and Stanford law reviews, and he has been recognized as one of the most influential attorneys in the United States.

#### *Areas of Industrial and Academic Interest*

- Founded the award-winning Stanford Securities Class Action Clearinghouse, which provides detailed, online information about the prosecution, defense, and settlement of federal class action securities fraud litigation.
- Was a commissioner of the Securities and Exchange Commission, serving on the staff of the President's Council of Economic Advisors as counsel and senior economist for legal and regulatory matters

## Roman L. Weil



### *Overview*

- Ph.D. in Economics, Carnegie Mellon University
- V. Duane Rath Professor of Accounting Emeritus at the Chicago Booth School of Business, University of Chicago
- Program Fellow, Stanford Law School
- Visiting Professor, NYU Stern School of Business
- Co-founder and co-directs The Directors' Consortium, a joint venture of Chicago Business School, Stanford Law School, Stanford Graduate School of Business, and The Tuck School at Dartmouth.

### *Areas of Business and Academic Interest*

- Served as editor or associate editor of The Accounting Review, Communications of the Association for Computing Machinery, Management Science, Journal of Accounting and Economics, and the Financial Analysts Journal.
- Served on the Securities and Exchange Commission Advisory Committee on Replacement Cost Accounting. At the Financial Accounting Standards Board, he has served on two task forces--one on consolidations and the other on interest methods--and on the Financial Accounting Standards Advisory Council.
- A member or member emeritus of the American Accounting Association, the American Economics Association, the American Institute of Certified Public Accountants, and the Illinois Society of Certified Public Accountants.
- Serves on the Board of Directors of mutual funds affiliated with New York Life Insurance Company and has chaired the Audit Committee. Serves on the board of Ygomi Corporation and chairs the audit committee. Serves on the Investment Company Institute's Independent Directors' Council.
- Serves on the Board of Directors of mutual funds affiliated with New York Life Insurance Company and has chaired the Audit Committee. Served on the board of Ygomi Corporation and chairs the audit committee. Served on the Investment Company Institute's Independent Directors' Council.

## John D. Wilson



### *Overview*

- Juris Doctorate, University of Pennsylvania.
- Partner, Shearman & Sterling
- Concentrates on securities and finance matters and mergers and acquisitions, including initial public offerings and other global equity securities offerings, complex acquisitions and

joint ventures

*Areas of Business and Academic Interest*

Various U.S. and non-U.S. Companies, including:

- Various Abu Dhabi sovereign wealth funds in connection with cross-border investments and related activities, including the formation of GLOBALFOUNDRIES and the acquisition of Chartered Semiconductor Ltd.
- Levi Strauss & Co. (apparel) on general securities law compliance, SEC reports, disclosure and related matters, including its high yield debt offerings and related debt tender offers.
- PowerLight Corporation in connection with its acquisition by SunPower Corporation in 2007.
- STMicroelectronics, N.V. (semiconductors) in connection with its initial public offering in the United States, ongoing U.S. securities law compliance, SEC reports, various common stock, convertible debt and other offerings, disclosure matters and various M&A projects, including its acquisition of Genesis Microchip Inc in 2008, the formation of its Numonyx joint venture in 2008 with Intel and Francisco Partners and the sale of Numonyx to Micron Technology Inc. in 2010.
- The Special Committee of the Board of Directors of The Robert Mondavi Corporation (winery) in connection with its equity recapitalization transaction in 2004.
- Nokia Corporation (wireless telephony) in connection with ongoing U.S. securities law compliance, SEC reports and disclosure matters.
- Dassault Systemes S.A. (CATIA/CADAM software) in connection

***The Participants: Accomplished Business Leaders***



“Excellence in corporate governance is important to PCCW. By being a part of the Stanford Senior Executive Program (Directors’ College Hong Kong), I can ensure that I am up-to-speed on current governance issues, and have the best possible skills and "tool kit" to address issues that come up on any board in which I participate. The caliber of presenters is exceptional: they understand the real-life issues and how to translate theory into practical application.”

**Michael Verge**

Company: PCCW

Position: Group Treasurer



“The Stanford Senior Executive Program (Directors’ College Hong Kong) is by far the most rewarding program I have ever participated in, both from a personal and professional perspective. As the CEO of the most established telecom company in Indonesia, I had a great opportunity to learn from experienced directors, governance experts and top notch academics in the field, meeting my educational objectives. The quality of faculty and diversity of students in the Program gave me the extra edge and opportunities to drive my company to the next stage of growth.”

**Rinaldy Firmansyah**

Company: Telkom Indonesia

Position: CEO



“Our shareholders deserve to be represented by directors who bring added value to the organization. To carry out this responsibility, we must constantly upgrade our knowledge and skills. In the Stanford Program I found the sharing of knowledge and solutions – through interactive presentations with experienced directors and faculty very stimulating and fun. The combination of faculty lectures, class participation and presentations by those that have lived through the cases being studied results in a virtual boardroom setting.”

**S Chandra DAS**

Company: NTUC FairPrice

Position: Chairman



“The Stanford Senior Executive Program (Directors’ College Hong Kong) that I previously attended exceeded my expectations. The interaction and exchange of views between participants complemented the exhaustive and stimulating presentations delivered by the professors. The case studies were very current and realistic for today’s environment. The knowledge acquired in Program will enable every participant to better fulfill his or her obligations and responsibilities as a director in any organization. I highly recommend the Stanford Senior Management Program for all directors.”

**Wang Guo Liang**

Company: PetroChina

Position: CFO

### **Admission Process**

We select the most qualified participants from a pool of highly diverse candidates. In seeking senior executives with demonstrated leadership abilities and development potential, the Admission Committee takes into account a candidate's organizational level, management experience and professional achievements. Proficiency in written and spoken English is essential for the completion of course assignments and active engagements in class discussion. As such the Admission Committee also may require a telephone interview as part of the admission process.

### **Certificate of Completion**

Upon the successful completion of all Program requirements, the Stanford Rock Center for Corporate Governance will award graduates a Certificate of Completion

### **About Stanford University**

Located between San Francisco and San Jose in the heart of Silicon Valley, Stanford University is recognized as one of the world's leading research and teaching institutions. Leland and Jane Stanford founded the University to "promote the public welfare by exercising an influence on behalf of humanity and civilization." Stanford opened its doors in 1891, and more than a century later, it remains dedicated to finding solutions to the great challenges of the day and to preparing its students for leadership in today's complex world.

### **About The Arthur and Toni Rembe Rock Center at Stanford Law School**

The Arthur and Toni Rembe Rock Center is a joint initiative of Stanford Law School and the Graduate School of Business at Stanford University. The Center was created to advance the understanding and practice of corporate governance in a cross-disciplinary environment where leading academics, business leaders, policy makers, practitioners and regulators can meet and work together.

### **Contact Information:**

To apply or request for more information, please contact our representative in Hong Kong:



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