

# THE CORPORATE GOVERNANCE SERIES



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*The Directors' Consortium* • August 25–27, 2004 • February 2005  
*Finance, Audit, and Risk Issues for Board Members* • October 20–22, 2004 • March 2005

A joint offering by



# THE DIRECTORS' CONSORTIUM

**Program Length**  
3 days

**Tuition**  
\$5,550.00  
(does not include lodging)

**Dates and Locations**  
August 25–27, 2004  
Philadelphia, PA

February 2005  
Palo Alto, CA  
(program information TBA)

**For Information and Application**

For Philadelphia session:  
Wharton Executive Education  
800.255.3932 (U.S./Canada)  
215.898.1776 (worldwide)  
215.898.2064 (fax)  
execed@wharton.upenn.edu

For Palo Alto session:  
Stanford Law School  
Executive Education  
650.723.5905 (phone)  
execed@law.stanford.edu

<[www.GovernanceSeries.com](http://www.GovernanceSeries.com)>

## PROGRAM OVERVIEW

*The Directors' Consortium* is a joint offering by the University of Chicago Graduate School of Business, Stanford Law School, and the Wharton School of the University of Pennsylvania.

In light of regulatory changes and reduced public confidence, becoming an educated board director is a necessity, not an option. Now more than ever, board members need to understand their fiduciary, legal, and ethical oversight responsibilities. The bar has been raised for all directors. Boards must focus on performance, not conformance. Sooner or later, the capital markets will vote on your company's performance; at that point, the company's performance and your governance are one and the same.

As a director, what sorts of questions should you be asking management or outside experts? What level of expertise should you bring to an audit or a finance committee? What should shareholders expect from you as a director; what should you expect from management? How can you ensure that the governance decisions you make are best for the company?

*The Directors' Consortium* offers even experienced directors the benefit of a research-based, comprehensive approach to the complex decisions that board members must make. Taught by faculty from accounting, finance, law, public policy, and strategic management, this program will help you build a 'best practices' framework for thinking about and making informed board decisions.

## HOW YOU WILL BENEFIT

- Understand the essential questions that board members should be asking management and outside experts regarding financing, disclosure, governance, succession planning, compensation, and litigation.
- Learn what Audit Committee members should know about revenue recognition, off-balance sheet financing, and accounting methods and disclosures.
- Develop a framework for legal and prudential strategies to help boards navigate in today's litigious environment.
- Understand and benchmark against best practices in corporate governance.
- Develop tested strategies for managing CEO succession and evaluating executive compensation.
- Evaluate the role of the board in strategy development, evaluation, and evolution.

## SELECTED SESSION TOPICS

- Policy and strategy
- Seeing red flags: how to spot early warning signs of management problems
- Nominating Committee issues and CEO succession
- Compensation Committee issues
- Audit Committee—qualifications, responsibilities, and content
- Finance
- Directors' fiduciary duties: the core duties of directors and what they mean in practice



## FACULTY

Please note that these are core faculty who may not be at every program. Complete faculty bios are available on the website at <[www.GovernanceSeries.com](http://www.GovernanceSeries.com)>.

### Joseph Bankman

*Ralph M. Parsons Professor of Law and Business  
Stanford Law School, Stanford University*

Professor Bankman teaches primarily in the areas of taxation and corporations. His current research focuses on the role of accountants in tax evasion. He has two forthcoming publications: *Insider Trading in Stock Substitutes* (with Ian Ayres) and *The Venture Capital Investment Bust: Did Agency Costs Play a Role? Was it Something Lawyers Helped Structure?* (with Marcus Cole).

### Thomas P. Gerrity

*Joseph J. Aresty Professor, Professor of Management and Operations and Information Management  
The Wharton School, University of Pennsylvania*

Dr. Gerrity served as the 11th Dean of the Wharton School from 1990-99. Prior to coming to Wharton, Dr. Gerrity was the founder and chief executive officer for 20 years of the Index Group, one of the world's leading consulting firms in business reengineering and information technology strategy. He was also the president of CSC Consulting, the commercial professional services division of Computer Sciences Corporation and the parent of CSC Index. He currently serves on the boards of several corporations and not-for-profit organizations.

### Ronald J. Gilson

*Charles J. Meyers Professor of Law and Business  
Stanford Law School, Stanford University*

Professor Gilson is also the Stern Professor of Law and Business at Columbia University. He is the author of three books and more than forty articles that focus on venture capital contracting and the structure of the private equity market. Professor Gilson has worked on the American Law Institute's Corporate Governance Project. He currently serves as director of the American Law and Economics Association, and as an associate editor of the *Journal of Corporate Finance*.

### Steven N. Kaplan

*Neubauer Family Professor of Entrepreneurship and Finance  
The University of Chicago Graduate School of Business*

Professor Kaplan teaches advanced MBA and executive courses in corporate finance, entrepreneurial finance, and private equity. His research, teaching, and consulting focus on corporate restructuring, corporate governance, and corporate finance. He serves on the boards of Liberty Acorn Funds and Morningstar, as well as on several advisory boards.

### Michael Klausner

*Professor of Law, Bernard D. Bergreen Faculty Scholar  
Stanford Law School, Stanford University*

Professor Klausner teaches and writes in the areas of corporate and banking law, anti-takeover protection provided to spin-offs, and anti-takeover defenses in IPOs. Prior to joining the Stanford Law School faculty, he held positions at New York University School of Law and Peking University. He also served as a White House Fellow in the Office of Policy Development.

### Steven Koch

*Vice Chairman  
Credit Suisse First Boston*

Mr. Koch is co-chair of Credit Suisse First Boston's Global Mergers and Acquisitions Group. He is also a member of the investment banking executive board. He serves as a member of the board of trustees of Mount Sinai Hospital Medical Center in Chicago, the board of directors of the Greater Chicago Food Depository, and the board of NYC2012.

### David F. Larcker

*Ernst & Young Professor of Accounting  
The Wharton School, University of Pennsylvania*

Professor Larcker serves as co-director of the Wharton Research Program on value creation in organizations. He has published more than fifty articles and book chapters on topics such as the design of executive compensation contracts, measurement of intangible assets, and strategic business models.

### Olivia S. Mitchell

*The International Foundation of Employee Benefit Plans Professor, Professor of Insurance and Risk Management and Business and Public Policy Policy  
The Wharton School, University of Pennsylvania*

Professor Mitchell is executive director of Wharton's Pension Research Council and director of Wharton's Boettner Center on Pensions and Retirement Research. She served on President's Bush's Commission to Strengthen Social Security, has spoken before the World Economic Forum and the International Monetary Fund, and has provided testimony to government leaders in the U.S., the U.K., and Brazil.

### Katherine Schipper

*Board Member, Financial Accounting Standards Board (FASB)*

Dr. Schipper was appointed to the Financial Accounting Standards Board (FASB) in 2001. She has held faculty positions at Duke University's Fuqua School of Business and the University of Chicago Graduate School of Business and has published research papers on a range of accounting subjects. Dr. Schipper has also served in positions with the American Accounting Association.

### Roman L. Weil

*V. Duane Rath Professor of Accounting  
The University of Chicago Graduate School of Business*

Professor Weil's research and teaching focus on financial accounting, forensic accounting, and regulation and his work has been published in academic and professional journals. He has served on the Securities and Exchange Commission (SEC) and the Financial Accounting Standards Board. Professor Weil serves on the board of directors of mutual funds affiliated with New York Life Insurance Company and chairs the company's Audit Committee.

# FINANCE, AUDIT, AND RISK ISSUES FOR BOARD MEMBERS

## Program Length

3 days

## Tuition

\$4,950

*(does not include lodging)*

## Dates and Locations

Oct 20–22, 2004

Palo Alto, CA

March 2005

Philadelphia, PA

*(program information TBA)*

## Optional 1-Day Session

*Finance and Accounting Basics*

\$950, October 19, 2004

Palo Alto, CA

## For Information and Application

*For Philadelphia session:*

Wharton Executive Education

800.255.3932 (U.S./Canada)

215.898.1776 (worldwide)

215.898.2064 (fax)

[execed@wharton.upenn.edu](mailto:execed@wharton.upenn.edu)

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## PROGRAM OVERVIEW

Members of corporate boards, especially public company boards, are under increasing pressure and intense public scrutiny. You are charged with enhancing corporate value and performance while acting in the best interests of shareholders. The term “fiduciary responsibility” is suddenly more than an idle concept. In addition, whether or not you serve on the Audit Committee, all board members are facing greater legal liability for the company’s performance, financial disclosure, and accountability.

This 3-day intensive program is designed specifically for board members who want to strengthen their financial foundation and improve their ability to evaluate and challenge management teams as they evaluate past performance and set future goals. The program, developed in response to numerous requests from the director community, goes beyond the basic issues to provide in-depth financial and audit insights that help you and your board colleagues become valuable contributors to the corporation’s growth.

An optional full-day session at the beginning of the program provides an excellent foundation in finance and accounting basics for those with limited financial backgrounds or for those who would like a concentrated refresher from a board-level perspective.

## OUR APPROACH

Each day of the program provides a unique blend of interactive lectures, challenging cases, small group discussions, and practical applications, all designed to identify and address the critical issues facing your board. You’ll interact with faculty and an accomplished group of colleagues from leading corporations in a forum that fully engages you in enhancing your expertise as a board member. You’ll leave the program with approaches and tools that can help you resolve the concerns your board is grappling with today—and be well prepared to handle challenges that could surface tomorrow.

If you feel that your basic finance and accounting knowledge is limited or needs reinforcement, you are invited to attend the optional 1-day pre-course session on basic finance and accounting issues. Please contact us if you are uncertain as to whether you should attend this portion of the course, as it will make the remainder of the course more meaningful to start with a solid understanding of the basics.

## HOW YOU WILL BENEFIT

- Gain a solid understanding of the financial responsibilities of board members.
- Pinpoint the necessary processes, goals, and responsibilities of the Audit Committee.
- Identify and address the major areas that need your regular attention, including revenue recognition, asset impairment, receivables, risk assessment, managing debt, and more.
- Reevaluate the required and appropriate roles of the board during merger and acquisition evaluations and discussions.
- Weigh the benefits and potential risks of various capital structures for corporations.
- Discover how to align finance with strategy in ways that contribute to greater corporate success.

## WHO SHOULD ATTEND

This program is specifically designed for those who already are, or are about to become, members of a board of directors of a public company. Board members of companies that aspire to become public in the future will also benefit, as will those who serve on the boards of foreign corporations that are listed or aspire to be listed on U.S. exchanges. The disciplines covered will have applicability to private or family company boards and non-profit organizations, but not all of the specific regulations and processes of public companies will apply.



## SELECTED SESSION TOPICS

- Clarifying responsibilities: the role of the board in financial oversight and reporting
- Financial statement relationships and business drivers
- Cost of capital and returns
- Capital structure, borrowing capacity, and rating agencies
- Audit Committee roles and responsibilities
- M&A issues for board members
- Defining effective relationships with internal and outside auditors
- Worry points: revenue recognition, asset impairment, receivables, risk assessment, and managing debt

## FACULTY

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### Joseph Bankman

*Ralph M. Parsons Professor of Law and Business  
Stanford Law School, Stanford University*

See bio on page 3.

### John Percival

*Adjunct Professor of Finance  
The Wharton School, University of Pennsylvania*

John Percival is active in the development and teaching of executive education programs, having created executive programs for companies such as Bell Atlantic, GE Capital, Pitney Bowes, IBM, Fiat, Chubb, The Hartford, American Skandia, Sun Life, Siam Cement, Scientific Atlanta, Ford, and Bankers Trust, among others. He has acted as a financial consultant to organizations in both the public and private sectors, including the Federal Trade Commission, the Commonwealth of Pennsylvania, the U.S. Department of Labor, AT&T, Ford, and DuPont. His articles have appeared in such publications as the *Journal of Financial and Quantitative Analysis*, the *Journal of Economics and Statistics*, and the *Journal of Risk and Insurance*.

### Katherine Schipper

*Board Member, Financial Accounting Standards Board (FASB)*

See bio on page 3.

### Roman L. Weil

*V. Duane Rath Professor of Accounting  
The University of Chicago Graduate School of Business*

See bio on page 3.

## A SELF-AUDIT FOR BOARD MEMBERS

1. How comfortable are you with the financial transactions that you are asked to approve as a board member?
2. Are you sure that an adequate range of assumptions has been evaluated when the board is presented with an annual budget, a capital expense plan, or an acquisition proposal?
3. Do you fully understand the difference between your company's net income and free cash flow—and how the numbers should relate?
4. Do you have questions about revenue recognition, receivables management, or guidelines for capitalization of expenditures?
5. Do you understand the new rules on goodwill? How will you know if it is impaired?
6. How will you treat the financial consequences of your stock option plan?
7. Is it wise to allow businesses to use EBITDA as their primary measure of profitability?
8. Is there a “good” or “bad” balance sheet? How would you know?
9. What is the appropriate capital structure for your firm? When would you try to change it?
10. What should your role and relationship be with the independent auditors and the internal auditing team?
11. What will you do when an outside auditor tells you there is a difference of opinion with management?

**If your self-audit reveals a need for greater knowledge, confidence, or conviction, we invite you to join us for a 3-day financial workshop for board members.**

Future sessions of these programs will rotate among the executive centers of Chicago, Stanford, and Wharton.



## CHICAGO GRADUATE SCHOOL OF BUSINESS

Sessions will be held at the Gleacher Center of the University of Chicago Graduate School of Business, 450 North Cityfront Plaza Drive, situated on the Chicago River (one block east of Michigan Avenue) in the heart of the downtown area known as “The Magnificent Mile.” The Center is within walking distance of some of Chicago’s most exciting retail and entertainment areas. The Gleacher Center, which also houses Chicago’s top-ranked executive MBA and evening MBA programs, provides state-of-the-art classrooms that complement the exceptional quality of the program’s content and faculty.

## STANFORD LAW SCHOOL

Sessions will be held at Stanford Law School on the Stanford University campus, in the newly-renovated, state-of-the-art FIR Hall classroom building. Stanford Law School is close to the Stanford University Bookstore, Tresidder Memorial Union, Cantor Arts Center, and the historic main quadrangle. In addition, public transportation provides easy access to downtown Palo Alto, where you will find a wide variety of restaurants, cafes, and specialty shops.



## THE WHARTON SCHOOL

Sessions will be held at the Steinberg Conference Center, the Wharton School’s state-of-the-art executive learning facility on the campus of the University of Pennsylvania. The conference center, located on the northeast corner of Spruce and 38th streets, is within walking distance of the Penn campus bookstore, libraries, cafes, stores, and restaurants. The ambience of the executive center is enhanced by over 300 works of late 20th century art endowed by Barbara B. and Ronald Davis Balser. The collection offers a broad range of contemporary styles, personal visions, and media.



## CHICAGO GSB

The ideas and strategies that will shape the business environment tomorrow are being formulated—and taught—at the University of Chicago Graduate School of Business today. For more than 100 years, Chicago has been a leader and innovator in business research and education. It was the first business school in the U.S. to offer a PhD program, the first business school to publish a scholarly journal, the first to offer an executive MBA degree program, and the only business school to have six Nobel laureates on its faculty. Many of Chicago's current innovations are directly related to its close ties with the leaders of some of the world's most respected corporations. Chicago's executive education courses offer a blend of academic excellence, rigorous scholarship, real-world relevance, and practical application that provides participants with unparalleled opportunities to expand their horizons.



**For sessions held at Chicago, please contact:**

The University of Chicago  
Graduate School of Business  
Executive Education  
450 N. Cityfront Plaza Drive  
Chicago, IL 60611.4316

312.464.8732 [phone](tel:3124648732)  
[exec.ed@gsb.uchicago.edu](mailto:exec.ed@gsb.uchicago.edu) [e-mail](mailto:exec.ed@gsb.uchicago.edu)

## STANFORD LAW SCHOOL EXECUTIVE EDUCATION

Stanford Law School offers innovative and exemplary executive education programs that are built upon the School's academic excellence, cutting-edge research, and multidisciplinary resources. Unique among law schools, Stanford centers its efforts on the intersection of law, business, and policy. Stanford Law School's executive programs feature its pre-eminent law, business, and technology faculty; the resources of the nationally recognized George R. Roberts Program in Law, Business, and Corporate Governance and the Stanford Program in Law, Science & Technology; and members of the policy-making and corporate communities. Stanford Law School Executive Education brings together scholars, corporate leaders, policy makers, investment bankers, venture capitalists, and leaders in the legal community from the United States and other nations to share their expertise and discuss solutions to the challenging issues facing business executives and policy makers today.



**For sessions held at Stanford, please contact:**

Stanford Law School Executive Education  
Crown Quadrangle  
559 Nathan Abbott Way  
Stanford, CA 94305-8610

650.723.5905 [phone](tel:6507235905)  
[execed@law.stanford.edu](mailto:execed@law.stanford.edu) [e-mail](mailto:execed@law.stanford.edu)

## ARESTY INSTITUTE OF EXECUTIVE EDUCATION, THE WHARTON SCHOOL

The Wharton School at the University of Pennsylvania is recognized around the world for its innovative leadership, acclaimed faculty, and broad academic strengths across every major discipline and at every level of management education. Founded in 1881 as the nation's first collegiate business school, Wharton is committed to creating the highest value in understanding the business and practice of management worldwide. Wharton has offered executive education courses for more than 40 years and continues to be a leader in the field. Wharton is committed to offering programs that equip executives with the tools and skills to compete and meet the challenges inherent in today's corporate environment. With a mix of more than 200 programs and world-class faculty, Wharton offers leading edge solutions to more than 8,000 executives annually.



**For sessions held at Wharton, please contact:**

Aresty Institute of Executive Education  
Steinberg Conference Center  
255 South 38th Street  
Philadelphia, PA 19104.6359

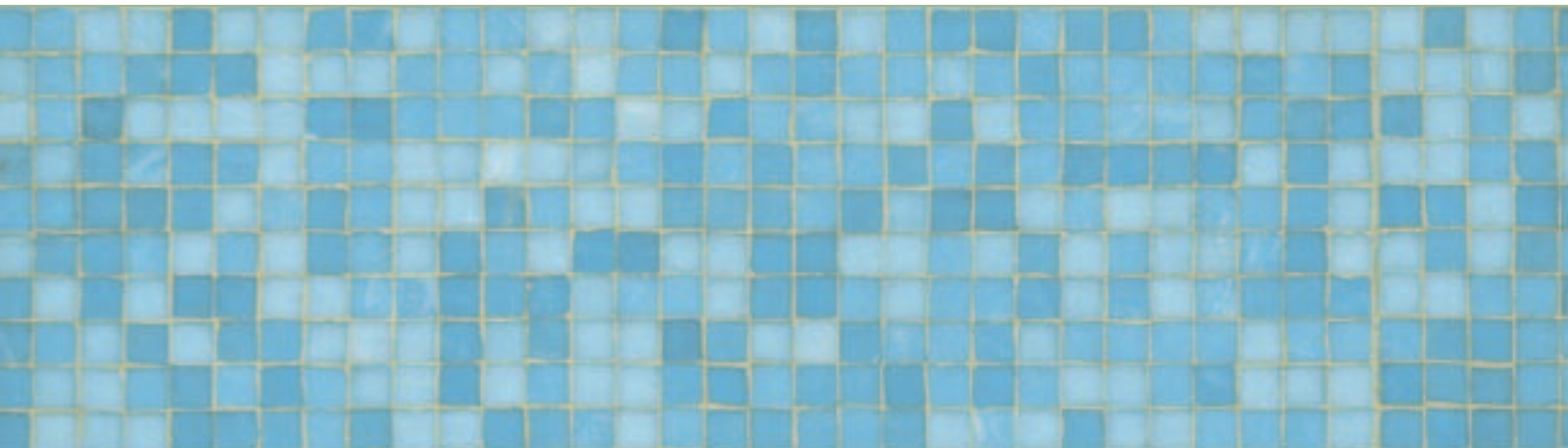
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INSTITUTIONAL SHAREHOLDER SERVICES

*The Directors' Consortium and Finance, Audit, and Risk Issues for Board Members* are accredited by Institutional Shareholder Services as a Preferred Boardroom Education Program

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The University of Chicago  
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