EBERHARD KARLS
UNIVERSITÄT
TÜBINGEN

Faculty of Economics and
Social Sciences
Chair of Strategy

B470 Corporate Strategy: M&A and Divestitures

Syllabus (WS 2025/2026)

Instructor: Prof. Dr. Timo Sohl

Content
This module discusses corporate strategy of modern multi-business firms and presents empirical studies on how corporate scope decisions might create or destroy value. It develops an understanding of how corporate transactions are used to restructure business portfolios, with a particular focus on understanding the role of mergers & acquisitions (M&As) and divestitures within a firm's corporate strategy.

Learning target
In this module, students learn to evaluate strategic choices around a firm's set of businesses and formulate corporate strategy in dynamic market environments. Students develop the ability to analyze how a firm's market environment and logic for value creation influence its scope decisions. They develop an understanding of how M&As and divestitures are used as strategic tools to restructure business portfolios.

Topics
1. Basic concepts: value creation and capture
2. Vertical boundaries of the firm
    a. Transaction costs and the firm-market boundary
    b. Contractual relationships
    c. Specific assets, hold-up problem, and vertical integration
3. Horizontal boundaries of the firm
    a. Diversification strategy
    b. Types of synergy
    c. Resource redeployment
    d. Organizational design
4. Corporate transactions and restructuring
    a. M&A
    b. Divestitures

Structure
Lectures
- Thursdays, 14:00 – 16:00 c.t.
- No registration required

Tutorials

- Thursdays, 16:00 – 18:00 c.t.
- No registration is required
- Discussion of problem sets (open questions, single-choice questions, and mini case studies). It is important to prepare for the tutorials in advance!

Enrollment information

No registration required.

Coursework

- 9 ECTS-Credits (lecture + practice course).
- Written exam (60 minutes), registration is required.

Teaching methods

Independent study, oral participation

Course language

English

Literature

Textbooks

- Dranove, D., Besanko, D., Shanley, M., & Schaefer, S. (2017). *Economics of Strategy*. 7th Ed. John Wiley & Sons.
- Gaughan, P. A. (2018). *Mergers, Acquisitions, & Corporate Restructurings*. 7th Ed. John Wiley & Sons.

Core articles

- Cunningham, C., Ederer, F., & Ma, S. (2021). Killer acquisitions. *Journal of Political Economy*, *129*(3), 649-702.
- Feldman, E. R., & Hernandez, E. (2022). Synergy in mergers and acquisitions: Typology, life cycles, and value. *Academy of Management Review*, *47*(4), 549-578.
- Lieberman, M. B., Lee, G. K., & Folta, T. B. (2017). Entry, exit, and the potential for resource redeployment. *Strategic Management Journal*, *38*(3), 526-544.

Professor

Timo Sohl is a Professor of Strategy at the University of Tübingen. He holds a Ph.D. in Management from the University of St. Gallen and a Diploma (MSc equivalent) in Economics from the University of Heidelberg. His research is published in leading management journals such as *Management Science*, *Organization Science*, and the *Strategic Management*

Journal. He currently serves as an Associate Editor of the *Journal of Organization Design*. Prior to his academic career, he gained some practical experience at multinationals such as SAP and BOSCH in Germany and China.