

JOMC 491.2 - ADVANCED BUSINESS REPORTING
340 CARROLL HALL
FALL 2013
THURSDAYS, 12:30P.M.-3:15P.M.

Bloomberg News Instructors

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Questions?

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Or a specific instructor.

Office hours

By appointment
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Objectives: Advanced business journalism focuses on sharpening students' skills in "following the money" -- a key requirement to becoming a successful financial reporter. Students will learn how publicly traded companies are run and managed; how to journalistically analyze income statements and balance sheets; how to manage a business beat and bring context and perspective to financial stories.

Course requirements: Meeting deadlines, attending class and punctuality are essential. Class participation is imperative. Be prepared to speak up, to challenge your instructors and your colleagues, and to make the course a dynamic conversation.

The course will consist of lectures and discussions, writing exercises, an in-class midterm and a final semester-end story. For the final piece you will be required to cover a company for the semester and, through assiduous research and original reporting, produce a 1,200-word corporate strategy story.

Clear writing, clear thinking and error-free reporting are expected in all of your work. Since business stories often rely on figures as much as facts, be sure to double and triple check any numbers (or calculations) included in stories.

Grading:

The final course grade will be determined as follows:
30% = Semester-end corporate strategy story
20% = midterm
20% = Corporate strategy assignments
20% = Class participation
10% = Writing assignments, quizzes, in class exercises

Honor Code: It shall be the responsibility of every student at the University of North Carolina at Chapel Hill to obey and to support the enforcement of the Honor Code, which prohibits lying, cheating or stealing when these actions involve academic processes or University, student or academic personnel acting in an official capacity. We are expected to adhere to the Honor Code at all times. This prohibits plagiarism.

Assignments: All assignments should be typed double-space and submitted as an e-mail attachment to the teaching assistant. Put your name, date, e-mail address and the name of the assignment on each page. Number each page. Please consistently use only your UNC e-mail address when sending your work to the teaching assistant or communicating with an instructor. In some cases rewrites may be required before a final grade is given.

Textbooks/Reading:

The Bloomberg Way: A Guide for Reporters and Editors, by Matthew Winkler, Editor-in-Chief, Bloomberg News (Bloomberg Press/Wiley, 2012). A copy will be provided to you during the first class.

Additional reading assignments will be available on Sakai. Be sure to read the articles listed for each session **before** the class. Instructors may also assign reading before or after each session.

Midterm: The midterm will be given on Sept. 26 and consist of two in-class exercises: a reporting drill and a writing drill. See the course calendar for details.

Final Semester-End Story

No company can flourish without "the vision thing." Almost everything companies do flows from the mission set by the CEO.

This assignment involves writing about a specific strategy your company is pursuing. Each student will be assigned a company during the first class. Students will be expected to interview the CEO, analysts, investors, and competitors; dig up financial data; and analyze the strengths and weaknesses of the strategy.

This story must include:

--Original reporting.

--Financial analysis: An examination of how the strategy is affecting the company's revenue, earnings, market share, etc.

--Market perspective: How the company's shares have performed over a specific period versus a benchmark (such as the Standard & Poor's 500 Index) and a main industry competitor.

--Industry context/perspective: An explanation of why the company is pursuing this strategy **now** and what impact it's having on competitors and/or the marketplace.

--The personal: The story must also tell us about the CEO. Beyond including pertinent facts -- age, career history, and upbringing -- you need to explain why the top executive embraced the strategy.

This assignment will have a series of deadlines:

WEEKLY REPORTS: Throughout the semester students will be required to produce a series of short research reports about their company. These reports will help you learn about your company and form the basis of your reporting for the final semester-end story. Assignments will be due **EACH THURSDAY AT 10 A.M.** See the course calendar for specifics.

OCT. 2 AT NOON: Students must produce a pitch memo for their story, due on this date, and also bring it to the Oct. 3 session. This memo will outline the corporate strategy you intend to focus on. It must present a clear theme, explain what's at stake for the company and why someone should bother reading the story now. Be prepared to present this idea in class, to defend it, and to critique your fellow students' work.

OCT. 24 AT 10 A.M.: The first six to eight paragraphs of the final semester-end story are due. Further information will be provided prior to this date.

NOV. 7 TO NOV. 14: Students should consult with an instructor regarding the progress of their final story.

NOV. 27 AT NOON: Final story due.

WEEKLY COURSE OUTLINE

IOMC 491.2 FALL 2013

Aug. 22: Introduction

Alan Mirabella/Mary Jane Credeur

Course overview, goals, and expectations. The elements of writing business stories (the four-paragraph lead, why precision matters). Financial knowledge quiz, writing exercise. Bloomberg functions review. Company assignments will be made.

HOMEWORK FOR NEXT WEEK: Consolidation/History assignment.

Aug. 29: Corporate Strategy

Sarah Rabil

Why companies do what they do. The perils of changing course or standing still. The role of CEO, board, shareholders. How to measure success. Writing for your audience.

DUE: Consolidation/History assignment.

HOMEWORK FOR NEXT WEEK: Competitive Landscape assignment

Sept. 5: Deal-Making

Sarah Rabil

Mergers and acquisitions, valuing assets and companies, selling shares to the public, taking a company private. What companies try and fail to achieve when they combine.

DUE: Competitive Landscape assignment.

HOMEWORK FOR NEXT WEEK: Know Your CEO assignment.

Sept. 12: Corporate Finance

Brad Skillman

How & why companies raise money. Bonds, loans, dividends, stock buybacks, bankruptcy. An overview of the importance of the Fed and the credit, FX, and commodities markets.

DUE: Know Your CEO assignment.

HOMEWORK FOR NEXT WEEK: Corporate Finance assignment

Sept. 19: Financial Statements

Brad Skillman/Tom Contiliano

An examination of the income statement and balance sheet. How companies can bolster financial performance through cost cuts, one-time gains, asset sales.

DUE: Corporate Finance assignment.

HOMEWORK FOR NEXT WEEK: Profitability assignment.

Sept. 26: Midterm

Brad Skillman

Part 1: Reporting drill. Students will be asked to find information on a key newsmaker on deadline as if they had to prepare for an interview on the fly.

Part 2: Students will write a business news story in class on deadline using background materials provided.

DUE: Profitability assignment due.

HOMEWORK FOR NEXT WEEK: PITCH MEMO FOR YOUR CORPORATE STRATEGY STORY.

Oct. 2 at noon: Pitch memo due

Oct. 3: Midterm Review & Strategy Story Pitches

Sarah Rabil

First half will involve critiquing students' midterm stories for a discussion on topics including news judgment, balancing speed vs. accuracy and depth.

Second half: Students will pitch their corporate strategy story to the class and work with instructors to refine them.

HOMEWORK FOR NEXT WEEK: Politics and Regulation assignment

Oct. 10: Hedge Funds & Corporate Activists

Alan Mirabella

Investors including Carl Icahn and Bill Ackman take on management with increasing frequency. Who are these activists and why do they matter? This session will look at the role hedge funds and private-equity firms play.

DUE: Politics and Regulation assignment.

HOMEWORK FOR OCT. 24: The top six paragraphs of your Corporate Strategy story.

Oct. 17: No Class.

Oct. 24: Social & Corporate Governance

Alan Mirabella

Being the market leader in an industry is no longer the only way shareholders judge companies. Corporations must also show they're good citizens of the world. The session will examine the role that customers, unions, and shareholders play.

DUE: Top six to eight paragraphs of Corporate Strategy story.

HOMEWORK FOR NEXT WEEK: Corporate Governance assignment.

Oct. 31: Managing a Beat

Mary Jane Credeur

Strategies on learning a business beat from scratch, gaining access to corporate executives, finding sources in unexpected places, handling ever-more sophisticated public relations tactics, getting good quotes. Understanding the use of on- and off-the-record. Review of top of strategy story.

DUE: Corporate Governance assignment.

HOMEWORK FOR NEXT WEEK: Industry-specific metrics assignment.

Nov. 7: Focusing on an Industry

Mary Jane Credeur

Covering a company means covering an industry. This session will deconstruct a particular industry and show the importance of understanding various metrics, players, and analysts.

DUE: Industry-specific metrics assignment.

HOMEWORK FOR NEXT WEEK: Filling in Holes homework.

Nov. 14: Telling a Story Across Beats

Mary Jane Credeur

Understanding how bringing together "five easy pieces" -- markets, economy, government, politics, and companies -- makes stories comprehensive. Using social media to break news, build sources and monitor your competition and CEOs.

DUE: Filling in Holes assignment

Nov. 21: Final Class

Mirabella, et al

Review the standards for the Corporate Strategy story and sketch out writing of narrative. Give final quiz on key concepts from semester. Student feedback.

Nov. 27 at noon: Final Corporate Strategy story due.

The following assignments will help form the building blocks for your final semester-end story. Research and answer each question listed. Prepare the answers in memo form or a simple question-and-answer format no longer than 750 words. Each assignment will be due at 10 a.m. on the date listed. Each will be graded and together they will account for 20 percent of your course grade.

Consolidation and History: Due Aug. 29

When was your company founded, where, and by whom? Look at the history tab on their website, and read past stories about it. Have they changed their name over the years? Who have they bought or merged with, and whose culture was kept? Had there been 20 competitors in the industry and now there are only four? Or has it gone the opposite way with more competitors now than previously? How has the industry evolved? What are the biggest challenges the industry faces?

[[Example: Why is Coca-Cola a major global brand, whereas A&W Root Beer, which was invented a mere 30 years later, isn't?]]

Competitive Landscape: Due Sept. 5

Where does your company rank in the industry? Biggest? Fourth-biggest? Prepare a chart and rank your company by revenue and market capitalization. Use revenue for the latest year or fiscal year. Use current market cap. Then do the same exercise detailing revenue for the prior four years. All of these measures can be found in company financial statements, on the Bloomberg terminal and other financial websites.

Name the company's biggest products or product categories by revenue for the last year. If the company doesn't break down data that way, break down the company's sales by region. Do the same exercise for your company's top three competitors by revenue. Is your company growing or shrinking?

We collectively call this "size and scope" and it instantly shows why a company matters and brings immediate context to a story.

[[Think of Apple vs. BlackBerry vs. Samsung]]

Know Your CEO: Due Sept. 12

How long have they been CEO, when did they join the company and what previous jobs have they held there and elsewhere? What did they major in, and where did they go to college?

A CEO who started as a lawyer is going to think very

differently than one who has an MBA and started as a financial analyst. What major strategic moves has the CEO done since taking the top job? Acquisitions? Asset sales? Do they seem to be working? Read a few major articles, primarily profiles, about your CEO, and pay attention to how he/she is described compared with the CEOs of competing companies.

Also consider your CEO's personal life: Are they married, do they have kids, pets, hobbies, favorite charities or causes? This is a great way to bond and make small talk when you first start covering a new company.

[[Think of how much most people know about Steve Jobs vs. how little we know about Mike Duke, the CEO of Wal-Mart.]]

Corporate Finance: Due Sept. 19

When was the last time your company raised money by either selling bonds or taking out a bank loan? How much is the company's quarterly dividend and when was the last time they raised or lowered it? Has the company done any stock buybacks? If so, when and what was the value of them?

Profitability: Due Sept. 26

How does your company financially stack up against competitors?

Rank your company and its biggest two or three peers by these measurements: Profit growth in the past calendar or fiscal year compared with the same period a year earlier; stock performance during the same period. Also give the stock performance for the past five calendar years.

Examine analysts' estimates for earnings for your company on the Bloomberg terminal using the EEO function. Use the "annual" period. Provide the forecasted year-over-year growth for sales and "net income adjusted" for this year and next year.

Does your company tend to beat earnings estimates by analysts, or miss them? Read the last three quarterly earnings stories for your company and detail what happened. Did profit rise or fall? Did revenue rise? Fall? How did the shares react?

Politics/Regulations: Oct. 10

Identify three political or regulatory issues your company faces, and write a paragraph about each.

For example, which government agencies are your company's biggest regulators? Department of Transportation? Bureau of Alcohol, Tobacco, Firearms and Explosives?

Does your CEO donate to a political party? Have they hosted fundraising events for senators, presidential candidates, etc.? What about CEOs of your company's competitors?

Resources: Opensecrets.org for political contributions.

[[Example: FedEx CEO Fred Smith has been a longtime Republican supporter and donor, whereas rival UPS, which is the largest employer of Teamsters unionized workers, tends to be more aligned with Democratic initiatives. This influences how UPS and FedEx lobby and their corporate strategies, ranging from a congressional showdown over a bill to reauthorize funding for the FAA to a major aircraft order.]]

Corporate Governance: Due Oct. 31

Identify the biggest corporate governance issue or challenge your company currently faces, or has faced in the recent past. Has your company ever been the target of activist shareholders?

Perhaps your company has been investigated for possible violations of the Foreign Corrupt Practices Act, or Department of Justice investigation about price-fixing or violation of commerce or trade laws. How did the board handle it?

Is the board struggling with succession planning, or major capital expenditure projects, or a major change in demand for its core products?

Resources: Consult the company's annual report and its annual proxy statement.

[[Think back to the Barnes & Noble case study we did.]]

Industry-specific metrics: Due Nov. 7

Identify three other metrics that are important and specific to your company's industry. If it's a retailer, it might be same-store sales. If it's a manufacturer, it might number of units sold or tonnage sold. If it's an airline, it's monthly traffic and unit revenue. It might be plain old profit margin or yield.

How has your company performed in those areas over the past calendar or fiscal year?

[[Think of why Wal-Mart shares react to same-store sales reports when it's only a one-month glance and the quarter isn't over yet. It's an early indicator.]]

Filling Holes: Due Nov. 14

It's important to know what you don't know. After all this reporting on your company, what are your holes? What can't you find out, and why? Is there another way to go about it? Think of other sources can you pursue: an employee union, former executives you could track down, a supplier or contractor, one of your company's big customers? Maybe a conversation with a competing company would yield something insightful. Attempt to track down some of these interviews.

MARY JANE CREDEUR

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Mary Jane Credeur joined Bloomberg News in 2005 and covers airlines including Delta and United Continental, plus freight companies such as United Parcel Service Inc. She has broken numerous stories that forced competitors to follow her reporting during Delta's negotiations to buy Northwest Airlines, United's merger talks with Continental, and more recently UPS's failed bid to buy TNT Express NV.

Based in Bloomberg's Atlanta bureau, Credeur initially covered the beverage industry, including Coca-Cola Co., PepsiCo Inc., Starbucks Corp. and Anheuser-Busch.

She previously worked at the Atlanta Business Chronicle, and began her career taking agate sports box scores and coordinating overnight news coverage for The Grand Rapids Press in Michigan, her hometown paper. She also wrote for the Holland Sentinel in Michigan.

Credeur has won awards from the Society of American Business Editors and Writers, and the Society of Professional Journalists. She holds a bachelor's degree in journalism with a minor in French from Grand Valley State University in Allendale, Michigan.

ALAN MIRABELLA

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Alan Mirabella is an editor with Bloomberg's global training team in New York, which trains staff in writing, standards, style, and news functions. He joined Bloomberg in 2001 as an editor on the finance team and has overseen real estate and consumer companies coverage.

A native of New York, Mirabella began working at the New York Daily News as a copy runner before becoming a reporter, the business editor and the deputy managing editor for features. He covered the media industry for Crain's New York Business and was a senior editor at Money magazine.

Mirabella also teaches business reporting at the City University of New York's Graduate School of Journalism. He earned a bachelor's degree from Long Island University.

SARAH RABIL

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Sarah Rabil is the team leader for Bloomberg's Real M&A column, a data-driven analysis of mergers and acquisitions news, arbitrage opportunities and potential deals. She oversees reporters and editors globally for the column, after joining the team as an editor at the column's inception in February 2011.

Rabil started at Bloomberg in 2007 covering U.S. stocks and then worked for three years as a reporter covering major U.S. media companies, including News Corp. and Time Warner Inc. She has a bachelor's degree from the UNC School of Journalism and Mass Communication with a focus in news-editorial and a certificate in business journalism. She also received a minor from the Kenan-Flagler Business School.

BRAD SKILLMAN

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Brad Skillman is a managing editor for the First Word/Speed Desk at Bloomberg News, responsible for overseeing daily breaking news coverage in the U.S. and Canada. Skillman, who has been with Bloomberg since April 2006, has covered financial news for nearly two decades and previously worked at the Associated Press.

A Massachusetts native and lifelong Red Sox fan, Skillman has a bachelor's degree in history from Swarthmore College and an MBA in economics and marketing from New York University's Stern School of Business.

Additional Bloomberg instructors may join some classes, including :

TOM CONTILIANO

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Tom Contiliano is the chief of client relations for Bloomberg News. Since 2008 he has reported to the editor-in-chief on financial and operational matters. He has previously been a member of a four-person advisory board for the editor. He speaks internally and externally on global accounting topics, has appeared on Bloomberg Television, and is a daily resource on financial reporting matters worldwide.

Prior to joining Bloomberg in 1999, he worked for Coopers & Lybrand (and its successor PricewaterhouseCoopers) in the firm's forensic accounting and audit practices. Contiliano holds bachelors and masters degrees from the University of Virginia, where he has also taught accounting at the McIntire School of Commerce. He is a certified public accountant (inactive) in New Jersey.