

Dear CEFS Newsletter Subscribers,

you will find three short descriptions of current CEFS projects and a selection of recent CEFS news, publications, conference contributions and announcements in this issue of our Newsletter. For additional information, please visit our website at <http://www.cefs.de>.

Stiftung Mercator provides generous funding for social entrepreneurship research

On 16 March 2010, Stiftung Mercator announced the foundation of the national research network "Innovatives Soziales Handeln - Social Entrepreneurship" with funding of €970,000. The Center for Entrepreneurial and Financial Studies (CEFS) submitted a joint proposal with Zeppelin University and the University of Heidelberg. The consortium will receive funding of more than €500,000 for the next two years and together with the associated partners Ashoka and "Schwab Foundation for Social Entrepreneurship" will pursue an interdisciplinary approach working on aspects of financing, organization, communication and "markets" of Social Entrepreneurs. Working on financing issues CEFS can build on the research history of Professor Achleitner in this field which dates back to 2006. Stiftung Mercator is one of the largest private foundations in Germany. The press release by Stiftung Mercator (in German) can be found [here](#), the project description (in German) [here](#) and the TUM press release (in German) [here](#).

Stiftung Mercator Research Network



Professor Achleitner advises federal government as Deputy Chair of federally chartered Expert Commission on Research and Innovation (EFI)



Professor Achleitner (Deputy Chair) and Professor Harhoff (Chair)

As Deputy Chair of the federally chartered Expert Commission on Research and Innovation (Expertenkommission Forschung und Innovation: EFI), Professor Achleitner together with Professor Harhoff (Chair) and four other experts compiled a research report, which was delivered to the federal government on 24 February 2010. The commission's report provides the government with recommendations, such as how to move more effectively towards electric cars and the smart grid based on a sobering assessment of government programs, trends in technology transfer, and conditions for entrepreneurs and investors. The German Parliament is expected to discuss these issues in May and debate what actions to take. The official TUM press release can be found [here](#), a video summarizing the project [here](#); the full report (in German) is available [here](#).

Professor Kaserer publishes report on bank regulation on behalf of Vereinigung der Bayerischen Wirtschaft

In the context of the ongoing financial crisis, Professor Kaserer has been asked to comment on reformation options for the financial services sector by Vereinigung der Bayerischen Wirtschaft e.V. (vbw). The report is titled "Reformbedarf und Reformoptionen im Finanzdienstleistungssektor – Lehren aus der Finanzmarktkrise (English: Need for reformation and reformation options in the financial services sector – Lessons learned from the financial crisis)" and was published in January 2010. It assesses suggestions given by G20 finance ministers and central bank governors, the European Commission and the Basel Committee, namely increasing transparency of systematic bank risk, international alignment of national financial market authorities and efficiency of risk management systems. Beyond the existing suggestions, the report suggests to restructure financial market authorities. A summary of the report (in German) can be found [here](#); for the full report (in German), please click [here](#).

News

Professor Kaserer to speak at Münchner Tag des Familienunternehmens hosted by Vereinigung der Bayerischen Wirtschaft on 16 April 2010

In his role as Dean of TUM Business School, Professor Kaserer has been invited to give the opening speech at Münchner Tag des Familienunternehmens (English: Munich Family Firm Day), a forum for the discussion of aspects of financing, succession, the impact of the economic crisis, quality control and governance in family businesses. The forum is hosted by vbw together with BayernLB, Creditreform, ECOVIS, GÖRG, Naviget and Dr. Sasse AG. Under the heading "Familienunternehmen: begehrte Anlageobjekte oder graue Mäuse? (English: Family businesses: an asset class in demand or simply wallflowers?)" Professor Kaserer will share thoughts on current changes in business financing. More information (in German) can be found [here](#).

Professor Achleitner hands Ashoka-Chairmanship over

After four years, Professor Achleitner's responsibility as Chairman of the Advisory Board of Ashoka is handed over to a Board of five Directors. Dr. Thomas Jetter (Managing Director of Syneton Advice), Dr. Paul-Bernhard Kallen (Member of the Management Board of Hubert Burda Media Holding), Dr. Helga Breuninger (CEO of Breuninger Stiftung), Steven Wilkinson (CEO Buchanan Capital Holding) and his wife Britta Wilkinson will be taking on Professor Achleitner's responsibilities. Ashoka is a global association for entrepreneurs founded with the goal to provide its members with living stipends, professional support, and access to a global network of peers in more than 60 countries. For more information on Ashoka please click [here](#).

Publications

Paper published in Journal of Private Equity

The paper "Value Creation Drivers in Private Equity Buyouts: Empirical Evidence from Europe" by Ann-Kristin Achleitner, Reiner Braun, Nico Engel, Christian Figge and Florian Tappeiner was published in the Journal of Private Equity (JPE). The paper analyses value creation drivers in European buyouts from the perspective of private equity sponsors using a unique dataset of more than 200 realized transactions separating out the value contribution of leverage, operational improvements and market effects. The paper is hosted on [SSRN](#).

Paper published in Journal of Financial Transformation

The paper "The Time-Varying Risk of Listed Private Equity" by Christoph Kaserer, Henry Lahr, Valentin Liebhart and Alfred Mettler has been published in the Cass Capco Institute Paper Series on Risk in the Journal of Financial Transformation. The authors analyze market risks of listed private equity vehicles concluding that market risk of private equity assets varies strongly over time and is also characterized by a high level of instability when analyzed on a cross-sectional basis. The paper can be found [here](#).

Paper accepted for publication in the European Financial Management journal

The paper entitled "Do Corporate Governance Motives Drive Hedge Fund and Private Equity Fund Activities?" by Ann-Kristin Achleitner, André Betzer and Jasmin Gider, has been accepted for publication in the European Financial Management (EFM) journal. The authors show empirical evidence that both hedge fund and private equity investments are driven by corporate governance improvements, but seem to address different types of agency conflicts. The authors further show that the two investment classes appear to address free cash flow problems differently. The paper is hosted on [SSRN](#).

Paper accepted in Zeitschrift für Corporate Governance

The paper "Ausgewählte Aspekte der Vorstandsvergütung in Börsennotierten Unternehmen: Familien- vs. Nicht-Familienunternehmen" (English: Selected Aspects of Executive Remuneration in Listed Firms: Family vs. Non-Family Firms) by Ann-Kristin Achleitner, Marc Steffen Rapp, Philipp Schaller and Michael Wolff was accepted for publication in Zeitschrift für Corporate Governance (ZCG). The paper examines ways in which executive remuneration policies of family firms differ from those non-family firms. The paper is hosted on [SSRN](#).

Paper accepted in International Review of Finance

The paper "Why and How to Integrate Liquidity Risk into a VaR-Framework" by Christoph Kaserer and Sebastian Stange was accepted for publication in International Review of Finance. Using a unique, representative data set provided by Deutsche Börse AG, the authors find liquidity risk to increase traditionally-measured price risk by over 25%. The paper is hosted on [SSRN](#).

Paper accepted for publication in Problems and Perspectives in Management

The paper "Information Asymmetries and the Value-Relevance of Cash Flow and Accounting Figures – Empirical Analysis and Implications for Managerial Accounting" by Marc Steffen Rapp was accepted for publication in Problems and Perspectives in Management (PPM). The paper examines the correlation between operating cash flows and earnings with total shareholder returns. Using fixed firm effects regression methods the analysis shows that with increasing information asymmetry earnings become less correlated with the firm's stock market performance and operating cash flows dominate earnings in explaining total shareholder return (and vice versa). The paper is hosted on [SSRN](#).

Conference contributions

Two papers accepted for the 2010 Annual Congress of the European Accounting Association (EAA) in Istanbul

We are happy to announce that the paper "Value-based Management Systems, Corporate Governance and Firm Performance - A Panel Data Analysis" by Marc Steffen Rapp, Maximilian Schmidt, Daniel Schellong, and Michael Wolff was accepted for presentation at the Annual Congress of the European Accounting Association (EAA) in Istanbul. The paper "International Financial Reporting Standards and Earnings Quality: The Myth of Voluntary vs. Mandatory Adoption" ([SSRN](#)) by Ann-Kristin Achleitner, Bernhard Gegenfurtner, Nina Günther and Christoph Kaserer was also accepted for presentation at the EAA. More details on the conference can be found [here](#).

Two papers accepted for the 2010 European Academy of Management (EURAM) Conference in Rome

We are happy to announce that the paper "Value-based Management Systems, Corporate Governance and Firm Performance - A Panel Data Analysis" by Marc Steffen Rapp, Maximilian Schmidt, Daniel Schellong, and Michael Wolff as well as the paper "Women on Supervisory Boards – an Analysis of Supporters and Detractors" by Jana Oehmichen, Marc Steffen Rapp and Michael Wolff were both accepted for the upcoming 2010 European Academy of Management (EURAM) Conference in Rome.

Three papers accepted for the 72th Pflingsttagung des Verbands der Hochschullehrer für Betriebswirtschaft in Bremen

We are happy to announce that three papers of Marc Steffen Rapp and his coauthors were accepted for this upcoming event in Bremen. The papers deal with director compensation ("Determinants of Director Compensation in Two-Tier Systems: Evidence from German Panel Data" - [SSRN](#)), director networks ("Foreign Investors as a Mechanism to Resolve Domestic Director Networks – Evidence from the Germany Inc.") and the composition of supervisory boards ("Women in supervisory boards – An analysis of supporters and detractors").

Paper accepted for the 2010 European Financial Management (EFMA) Conference in Aarhus

We are happy to announce that the paper 'Value-based Management Systems, Corporate Governance and Firm Performance - A Panel Data Analysis', by Marc Steffen Rapp, Maximilian Schmidt, Daniel Schellong, and Michael Wolff has been accepted for the upcoming European Financial Management (EFMA) Conference in Aarhus.

CEFS Speaker Series

CEFS looks forward to welcoming Dr. Jürgen Großmann (CEO of RWE) at June 2010 Speakers Series

On 21 June 2010 we will be welcoming Dr. Jürgen Großmann, CEO of RWE AG, to our semi-annual CEFS Speaker Series at Technische Universität München. Dr. Großmann's speech will be held in the university's main lecture hall Audimax at 6:30pm and will be followed by a reception in the foyer to the lecture hall. For further information, please contact events@cefs.de.



CEFS looks forward to welcoming Mr. Peer Schatz (CEO of Qiagen) at January 2011 Speakers Series

We are also proud to announce Mr. Peer Schatz, CEO of Qiagen Sample & Assay Technologies, as our speaker at the forthcoming Speaker Series in January 2011. You will receive further information on Mr. Schatz's speech in the forthcoming issues of our CEFS Newsletter.

New CEFS members

CEFS welcomes Imke Kappes

We welcome Imke Kappes as a new CEFS member. Imke joined CEFS on 15 March 2010 from L.E.K. Consulting, where she has worked on a broad range of strategy assignments and transaction-related projects for both corporate and private equity clients. Prior to working for L.E.K., Imke obtained a diploma in business administration from Leipzig Graduate School of Management (HHL), where she majored in Accounting and Finance.



CEFS e.V.

In 2008, CEFS e.V. was founded to ensure a better promotion of CEFS's young scientists. The goal of this nonprofit e.V. is to support CEFS's young scientists with research funds and scholarships during the development, presentation and publication of their research work.

CEFS is interested in developing long-term partnerships with friends and patrons of CEFS e.V. In return, CEFS offers its sponsors opportunities such as project studies to find hands-on solutions in co-work with dedicated students of TUM Business School, guest lectures within our curriculum as well as workshops. Friends and patrons are also invited to the CEFS Speaker Series, which features a great variety of highly renowned international speakers (such as David Swensen, Stephen Schwarzman or Dr. Josef Ackermann).

Contributions can be made to CEFS Förderverein e.V., Kontonummer: 0508227400, BLZ: 70080000 (Dresdner Bank).
We thank you for your support!

For further questions, please contact us at contributions@cefs.de or +49-(0)89-289-25193.