
Preface

Ever since I was a little boy, I was fascinated by investment decisions – not with financial assets in mind, but trucks. The bigger, the better. However, once it occurred to me that beyond sheer size, equipment with a broader application range may turn out to be more desirable. Many years later, taking a Master's degree in Finance at Frankfurt University, I got hold of a copy of Lenos Trigeorgis's book "Real Options". It was all there: investment and flexibility, which is at the core of real options. However, I didn't understand how this would work for portfolios. So when I met Lenos at the Real Options Conference and asked, he just smiled: "An interesting field – let's work on it!"

Now the work is ready and I hope it can be instrumental to managers and academics alike when dealing with portfolios of real options. It was submitted as doctoral thesis at WHU, Otto Beisheim School of Management, chaired by Professor Dr. Arnd Huchzermeier and Professor Lenos Trigeorgis, Ph.D.

I would like to thank Arnd Huchzermeier for his guidance and the inspiring environment he creates at the Department of Production Management, including my opportunity to teach and to visit Stanford University. I am grateful to Lenos Trigeorgis who was always close despite the distance, by email or unforgettable meetings, and added both his great esprit and expertise. I am thankful to Stefan Spinler, for always being happy to discuss and help. Furthermore my thank goes to a friend at a Hightech Company, preferring to remain anonymous, who greatly contributed by discussing the applications. I thank my colleagues at the department for making my time at WHU an enjoyable one. Also I am grateful to Christian Artmann and Rolf Hellermann for tremendous intellectual and personal support, and for being a pleasure to be with far beyond research. Finally, I thank The Boston Consulting Group for financial support.

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From my first thoughts about flexibility to my dissertation it has been a challenging but inspiring and rewarding journey. The journey goes on and I am looking forward to it.

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