

ENTR 7339 – Cougar Venture Fund
Fall 2020; Room: WCE Classroom 538

INSTRUCTOR

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CVF MANAGING DIRECTOR

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REQUIRED MATERIALS

- **READ PRIOR TO October 27th** -*Venture Deals* by Brad Feld and Jason Mendelson
- *Harvard Business Publishing Articles & Cases* – download: <https://hbsp.harvard.edu/import/561148>

RECOMMENDED WEBSITES

- Course website on Blackboard
- www.kauffman.org
- www.angelcapitalassociation.com

OVERVIEW

Students taking ENTR 7339 (“Cougar Venture Fund”) will conduct deal evaluation, due diligence, and financial projections for the Cougar Venture Fund (“CVF” or “the Fund”). The Cougar Venture Fund is a venture capital fund that has been created to give Bauer MBA students the opportunity to gain hands on experience in evaluating and investing in early stage companies.

As part of the coursework, you will see investment presentations from early stage companies and analyze/recommend prospective investments. As part of the evaluation process, you will meet members of the management team, learn about the company’s technology, and review the term sheet.

The **class will meet weekly on Tuesdays from 4:30-6:00pm** throughout the Fall semester to teach students how to evaluate a start-up company. However, two classes during the semester will meet from 4:00-6:00 pm, as per the syllabus. Students are also expected to spend out of class time conducting outside research and due diligence.

LEARNING OBJECTIVES

Through a partnership with startup companies, venture capital funds, and angel investors, graduate students will obtain in depth knowledge of angel and venture capital investment strategies. The main focus of the course will be to expose students to the process of investing in a business through hands on experience in opportunity identification, evaluation, and funding. Discussions and activities will focus on the following areas.

- Identification and understanding of investment strategies
- Identification and evaluation of real business opportunities
- Gaining understanding and experience in the decision-making process
- Structuring and closing an investment deal
- Ongoing deal monitoring and maintenance

STUDENT EXPECTATIONS

Students are expected to be present, prepared and willing to participate in all of the class sessions. **On time attendance is mandatory** with absences affecting your grade (over 5 minutes late will be counted absent). A daily sign-in sheet will be provided. Assigned reading material must be completed prior to class and students must be prepared to present or defend their interpretation of the material. **Late submissions will not be accepted.**

GRADING

Item	Due Date	Points
Team Mission Statement	9/8	50
Company Overview	9/15	100
Market/Industry Analysis	9/29	100
Financial Analysis	10/13	100
Deal Summary	10/27	100
Final Written Assessment	11/17	150
Final Recommendation Presentation & Analysis	12/1	150
Participation / Attendance <ul style="list-style-type: none">Each class = 10 pts (total 150 pts)Final Team Peer Review = 100 pts	weekly	250
		1,000

GRADING COMPONENTS

1. **Team Mission Statement:** contact info, roles and responsibilities and target ROI with supporting evidence
2. **Company Overview:** company/product description, development status and the problem/gap in the market
3. **Market/Industry Analysis:** review of the market/industry being targeted including market drivers, a customer analysis and an overview of the competition
4. **Financial Analysis:** analysis of the company's pro forma financials including a discussion of sales and cost assumptions as well as the funding plan
5. **Deal Summary:** analysis of the proposed term sheet including strengths, weaknesses and initial valuation
6. **Final Written Assessment:** a thorough assessment of the company following provided requirements
7. **Final Recommendation Presentation:** present a thorough recommendation, with supporting evidence, to the Fund Board of Advisors whether the CVF should invest in the company reviewed including the reasons why, the amount of investment, and the deal structure

CLASS MEETINGS

Class meetings will be a mix of lectures, guest speakers and outside events. They will consist of a mix of the following.

- **CONTENT (~50 mins.):** The first part of the class will be focused on the fundamentals of assessing a start-up business opportunity and the process of angel investing.
- **DEAL UPDATES (~20 mins.):** This time will be structured like a corporate board meeting focused on deal status and issues.
- **TEAM MEETINGS (~20 mins.):** The remaining class time will be used for mandatory deal team work time to allow for interaction between the teams and for gaining advice and input from the professor.
- **PROFESSOR MEETINGS (Scheduled by Team):** Kala and/or Keith will meet with each team on a rotating basis. Each team is required to attend at least three of these meetings, during which the team can ask questions and review course material in a more personalized setting.

Date	Topic	Assignments Due
8/25	Semester Overview Discussion of the Fund Process Organize Teams / Roles & Responsibilities	Review Syllabus and Recommended Websites Review Ethics Statement
9/1	Intro to Startup Investing	Reading: <i>"Understanding the Business Angel Investment Process"</i>
9/8	Company Presentations	Reading: <i>"Why Lean Startup Changes Everything"</i> (On Blackboard) Assignment Due: Team Mission Statement
9/15	Due Diligence The Pitch & Supporting Documentation	Reading: <i>"How Venture Capitalists Evaluate Potential Venture Opportunities"</i> ; <i>"How to Pitch a Brilliant Idea"</i> Assignment Due: Company Overview
9/22	Market Validation & Competitive Analysis	Reading: <i>"Pebbles: Wearable Pioneer"</i> Assignment Due: Due Diligence Plan
9/29	Opportunity & Business Model Assessment Discuss Valhalla Case Study	Reading: <i>"Some Thoughts on Business Plans"</i> <i>"Valhalla Partners Due Diligence"</i> Assignment Due: Market/Industry Analysis
10/6	<i>Financial Projections for Start Ups</i>	Reading: <i>"Note on Building a Financial Model"</i>
10/13	Intro to Valuation	Reading: <i>"Note on Valuation for Venture Capital"</i> ; <i>"Valuing a Startup"</i> (On Blackboard) Assignment Due: Financial Analysis
10/20	Students Presentations 4:00-6:00PM	Assignment Due: Initial Company and Market Slides
10/27	Deal Structure & Term Sheets	Reading: <i>"A Rich vs. King Approach to Term Sheet Negotiations"</i> Assignment Due: Deal Summary
11/3	Present Recommendations to Class	Assignment Due: <u>Draft</u> Recommendation Presentation
11/10	Follow up Meetings with Student Teams	
11/17	Follow up Meetings with Student Teams	Assignment Due: Final Written Assessment Due
11/24	NO CLASS—THANKSGIVING BREAK	
12/1	Present Recommendations to Board 4:00-6:00PM	Assignment Due: Prepare Final Presentation with Supporting Documentation
12/8	Class Wrap Up	Assignment Due: Peer Review

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