Overview: This class explores some of the key considerations that go into venture capital investing and gives the tools to refine a process for analyzing high-growth companies and sectors. Through active participation, live speakers, weekly assignments and presentations we will walk through a repeatable process of sourcing a potential investment, understanding a sector and the steps to evaluating the investment. We will also explore the structure of an investment, understand the various considerations that go into venture capital math and the role of the board and venture investors after an investment has been completed.

Some of the topics we will cover include:

1. Finding an investment focus
2. What makes a great company
3. Phases and types of venture investments (Angel to Exit)
4. Term sheets and structure of an investment
5. Financial planning and exits
6. Current investment market and funds (including conversations with speakers and readings from blog posts and videos)

Intended Audience:
• Aspiring VC or angel investors who want to understand how investors evaluate startups
• Founders who want to understand how seed investors evaluate startups
• Students interested in startups and in understanding the language and the market participants
Owen is General Partner at Contour Venture Partners and has been the Managing Director of NYC Seed, a seed stage venture capital fund in New York City. He also founded the NYC Seedstart accelerator and Overlap, an artificial intelligence software company for scheduling. Owen is on the Board Directors for numerous technology and marketing companies.

Owen has worked in all aspects of the online world, including work with early versions of AOL and MSN. He created one of the first 200 web sites on-line and founded Thinking Media, an online marketing firm which pioneered online tracking of pages and advertisements. He co-founded Sonata in 1999, a wireless company that provided location-based services and marketing to cell phones. Owen also co-founded, Petal Computing, a firm that developed software which allowed large numbers of commodity PCs to act like a single unit and was a precursor to cloud computing.

Owen is the author of various patents in Internet methods and technologies. He is also the author of the book Instant Java Applets, available from Ziff-Davis Press. He is an original member of the World Wide Web Artists Consortium and served on that group's original board.

He was also an original member of the Board setting online advertising and media specifications and has served as Managing Director of the Wireless Advertising Association. Owen was named various times as one of the 100 Top Internet Executives in New York by The Silicon Alley Reporter and has also been named one of the 100 most influential people in Silicon Alley by Business Insider.

He received his bachelor's degree from Brown University and an MBA from Columbia Business School. He is an adjunct professor at Columbia Law School and has been an adjunct professor of engineering at New York University in New York City and Abu Dhabi.

---

**Pre-Requisites & Connection to Core**

**Co-Requisite: Capital Markets**

**Connection to the Core:** This course will apply and build on concepts covered in the following core courses. Students are expected to be able to apply them in the course.

**Core Course Connection with Core**

1. **Pre-Requisites & Connection to Core**
   - **Co-Requisite: Capital Markets**
   - This course is a pre-req for other VC courses (Building a VC Investment Thesis and VC Seminar)
   - It is not recommended that students take both this course and Entrepreneurial Finance as there is a high degree of overlap between these two courses
   - Corporate Finance: How valuation methods differ for early stage vs. established companies
   - Strategic Formulation: Competitive analysis
   - Marketing: How to assess target market, customer acquisition cost, customer lifetime value
Format: The class will emphasize active participation of students and teams. Student teams will present each class and will submit weekly assignments. There will also be guest speakers from the venture community.

Materials: Books, cases, blog posts, videos

Assignments/Grading:

25%: **Active class participation** is expected and class will be a combination of student discussion, lecture, team exercises and guest speakers with Q and A.

35%: **Weekly assignments** are an important part of the class, and help students cumulatively build the knowledge needed for analysis of an investment area and company. There will be one individual assignment for the semester, and the rest of the weekly assignments will be team submissions.

- Weekly assignments will consist of Powerpoint presentations from each group, which will cover topics covered in class, as applied to your investment sector and company analysis.
- There will be one individual assignment that will be a high-level topic paper on strategy and competition and how these topics relate to your potential investment. This will help give context to your company analysis.

40%: **A group final project** will be due from all teams which will include a company analysis of a company you have selected, an investment structure and capitalization table, along with short term planning for that company. Primary research (live interviews and conversations) is encouraged.

A Powerpoint presentation for the final project would include an overview of the opportunity for an investment. The overview would include:

1. Size of market and important data related to your investment
2. Deal structure and components, including recommendations for deal size and specific deal terms that may be suited for your particular company. Who would be great partners for the financing?
3. Capitalization table, short term operating plan and final waterfall exit analysis that demonstrates an understanding of a longer-term view of the financing and growth prospects of a company
4. Team analysis
5. Competition and differentiation for the company
## Fall 2021 Course Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Topics</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to Course</td>
<td>Please prepare a one-page overview of an important sector trend or “secret” you would be interested in working on for the semester.</td>
<td>Zero to One (Thiel)</td>
</tr>
<tr>
<td>Week 1</td>
<td>Investment Thesis of a person or firm -Should you be a generalist? Market considerations and trends Deal competition and Deal Flow Startup Types Venture Funds and Focus</td>
<td>Articles/Blogs by USV A16z, Ridgeline, Correlation, Upfront</td>
</tr>
<tr>
<td>Week 2</td>
<td>What makes a great company Part 1 Case study and Analysis : Would you invest? Financing: Angel to Exit</td>
<td>Better Tickets Now Case, Disciplined Entrepreneurship (Aulet)</td>
</tr>
<tr>
<td>Week 3</td>
<td>What makes a great company: Part 2 Funding Phases Institutional Venture Firm Structure Due diligence topics Types of funding structures</td>
<td>Disciplined Entrepreneurship (Aulet), Secrets of Sand Hill Road (Kupor), Startup CXO (Blumberg)</td>
</tr>
<tr>
<td>Week 4</td>
<td>Choosing a legal entity Term Sheet - Control and Economic Terms Cap table Valuation</td>
<td>Venture Deals (Feld), Entrepreneurs Guide to Business Law (Bagley)</td>
</tr>
<tr>
<td>Week 5</td>
<td>IP/Founder Equity/Vesting/ Post Financing and role of the Board Fiduciary Duties Operating Plan and Business Model Waterfall and exits</td>
<td>After the Term Sheet (Jaffe), Venture Deals (Feld),</td>
</tr>
<tr>
<td>Week 6</td>
<td>Mock Negotiation Can be VCs be value added? Group Project of company analysis and investment structure</td>
<td></td>
</tr>
</tbody>
</table>