

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

INSTRUCTOR

Keith Rassin
713-545-4531
keithrassin@yahoo.com

CVF MANAGING DIRECTOR

Kala Marathi
832-567-2980
kmarathi@uh.edu

REQUIRED MATERIALS

- ***READ PRIOR TO FIRST CLASS*** - *The Monk and the Riddle* by Randy Komisar
- *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

MBA 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 spring semester to teach students how to evaluate a start-up company. Students are also expected to spend out of class time conducting outside research and due diligence and reviewing companies in the current Fund portfolio.

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. **Attendance is mandatory** with absences affecting your class participation grade. All 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	2/4	50
Due Diligence Plan	2/25	50
Initial Company Valuation & Term Sheet Analysis	3/17 & 3/31	50
Recommendation Presentation & Analysis	4/21	300
Participation / Attendance <ul style="list-style-type: none">• <i>Each class = 10 pts (total 140 pts)</i>• <i>Final Team Peer Review = 100 pts</i>• <i>Class participation = 60 pts</i>	weekly	300
		750

GRADING COMPONENTS

1. **Team Mission Statement:** Each group must develop a Mission Statement that outlines their vision as a team, goals, strategies, and investment criteria (include the names, roles and responsibilities of each team member).
2. **Due Diligence Plan:** Each team must provide a detailed plan for completing due diligence on their company.
3. **Company Assessment:** Each team is required to complete a thorough assessment of the company they are investigating. Detailed requirements will be provided.
4. **Final Recommendation:** Each team must provide a thorough recommendation whether the Fund should invest in the company they have reviewed including the reasons why, the amount of investment, the deal structure and a term sheet. A presentation of these recommendations will be made to the Fund Board of Directors.

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.
- **THURSDAY MEETINGS:** Starting on February 14th, Kala and/or Keith will meet with each team on a rotating basis (one team on each Thursday). Each team is required to attend three of these meetings, during which the team can ask questions and review course material in a more personalized setting.

SCHEDULE – SPRING SEMESTER

Date	Topic	Assignments Due
1/21	Semester Overview Discussion of the Fund Process Organize Teams / Roles & Responsibilities	Review Syllabus and Recommended Websites Review Ethics Statement
1/28	Intro to Startup Investing	Reading: <i>“Understanding the Business Angel Investment Process”</i>
2/4	Company Presentations – TBD	Reading: <i>“Why Lean Startup Changes Everything”</i> Assignment Due: Team Mission Statement
2/11	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: Market / Industry Analysis
2/18	Market Validation & Competitive Analysis Discuss Pebbles Case Study	Reading: <i>“Pebbles: Wearable Pioneer”</i> Assignment Due: Due Diligence Plan Assignment Due: Pebbles Case Study Questions
2/25	Opportunity & Business Model Assessment Discuss Valhalla Case Study	Reading: <i>“Some Thoughts on Business Plans?”</i> <i>“Valhalla Partners Due Diligence”</i> Assignment Due: Valhalla Case Study Questions
3/3	<i>Guest Speaker (Financial Analysis)</i>	Reading: <i>“Note on Valuation for Venture Capital”</i> Assignment Due: Initial Financial Analysis Slides
3/17	Intro to Valuation	Reading: <i>“Valuing a Startup”</i>
3/24	Students Present Financial Analysis and Valuation Slides	Assignment Due: Initial Company Valuation Slides
3/31	Deal Structure & Term Sheets <i>Guest Speaker (Venture Capital) – TBD</i>	Reading: <i>“A Rich vs. King Approach to Term Sheet Negotiations”</i> Assignment Due: Initial Term Sheet Analysis Slides
4/7	Present Recommendations to Class	Assignment Due: <u>Draft</u> Recommendation Presentation
4/14	Follow up Meetings with Student Teams	
4/21	Follow up Meetings with Student Teams	Assignment Due: Final Assessments Due
4/28	Present Recommendations to Board	Assignment Due: Prepare Final Presentation with Supporting Documentation
5/5	Class Wrap Up	