

**GENB 7397 – Cougar Venture Fund
Fall 2013; Room: WCE Classroom**

INSTRUCTOR

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CVF MANAGING DIRECTOR

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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://cb.hbsp.harvard.edu/cbmp/access/19955984>

RECOMMENDED WEBSITES

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

OVERVIEW

MBA students taking GENB 7397 (“Venture Fund”) will conduct deal evaluation, due diligence, and portfolio tracking for the newly formed 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 technology companies.

As part of the coursework, you will see investment presentations from early stage technology 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. 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 the Houston Angel Network, 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.

GRADING

Item	Due Date	Points
Team Mission Statement	9/10	50
Due Diligence Plan	10/1	50
Company Assessment	11/5 & 11/12	200
Recommendation Presentation	11/5 & 11/12	200
Participation / Attendance	weekly	100
		600

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.

THE FUND ADVISORY BOARD

The Fund Advisory Board will be responsible for oversight of the Fund including review of the student investment recommendations, terms and conditions of these investments and for the final go/no go investment decision. All communication and research will be documented and available to the Board. An overview of the current fund Advisory Board can be found at <http://192.138.193.61/cvf/leadership/index.php>.

SCHEDULE – FALL SEMESTER

Date	Topic	Assignments Due
8/27	Semester Overview Discussion of the Fund Process Intro to Angel Investing	Reading: <i>Book: The Monk and the Riddle</i> Review Syllabus and Recommended Websites
9/3	Opportunity Assessment Overview Organize Teams / Roles & Responsibilities	Reading: <i>Article: Some Thoughts on Business Plans</i> Review Ethics Statement
9/10	Company Presentations – TBD	Reading: <i>Article: Business Model Analysis for Entrepreneurs</i> Assignment Due: Team Mission Statement
9/17	Business Model Analysis	Reading: <i>Article: How Venture Capitalists Evaluate Potential Venture Opportunities</i>
9/24	Due Diligence <i>Guest Speaker (Due Diligence) – TBD</i>	Reading: <i>Case: Valhalla Partners Due Diligence</i>
10/1	Market Validation & Competitive Analysis Team Status Meetings with Instructor	Reading: <i>Case: Valhalla Partners Due Diligence – con't</i> Assignment Due: Due Diligence Plan
10/8	Valuation	Reading: <i>Article: Valuation in Private Equity Settings</i>
10/15	Valuation Review <i>Guest Speaker (Valuation) – TBD</i>	Reading: <i>Case Study: Frank Spence</i>
10/22	The Pitch & Supporting Documentation <i>Q & A with Kala Murathi</i>	Reading: TBD Assignment Due: Initial Company Valuation
10/29	Deal Structure & Term Sheets <i>Guest Speaker (Venture Capital) – TBD</i>	Reading: <i>Case: Term Sheet Negotiations for Trendsetter, Inc.</i>
11/5	Present Recommendations to Class	Assignment Due: Company Assessment and Recommendation Presentation
11/12	Present Recommendations to Board	Assignment Due: Prepare Final Presentation with Supporting Documentation
11/19	Follow up Meetings with Student Teams	Assignment Due: Updates to Assessment and Presentation, as necessary
12/3	Discuss Process / Next Steps Areas of Improvement	Assignment Due: Answer Follow Up Questions from Board