

**ENTR 7339 – Cougar Venture Fund**  
**Fall 2016; Room: WCE Classroom 538**

**INSTRUCTOR**

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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: <http://cb.hbsp.harvard.edu/cbmp/access/51452622>

**RECOMMENDED WEBSITES**

- Course website on Blackboard
- [www.kauffman.org](http://www.kauffman.org)
- [www.angelcapitalassociation.com](http://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 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 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.

## GRADING

Item	Due Date	Points
Team Mission Statement	9/6	Completion
Due Diligence Plan	9/27	Completion
Company Assessment	11/1	200
Recommendation Presentation	11/15	200
Participation / Attendance / Team Evaluation	weekly	200
		<b>600</b>

## 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://www.bauer.uh.edu/cvf/leadership/index.php> .

**SCHEDULE – FALL SEMESTER**

<b>Date</b>	<b>Topic</b>	<b>Assignments Due</b>
<b>8/23</b>	Semester Overview Discussion of the Fund Process Intro to Angel Investing	Review Syllabus and Recommended Websites
<b>8/30</b>	Opportunity Assessment Overview Organize Teams / Roles & Responsibilities	<b>Reading:</b> <i>Book: The Monk and the Riddle</i> <b>Reading:</b> <i>Article: Some Thoughts on Business Plans</i> Review Ethics Statement
<b>9/6</b>	Company Presentations – TBD	<b>Reading:</b> <i>Article: Business Model Analysis for Entrepreneurs</i> <b>Assignment Due:</b> Team Mission Statement
<b>9/13</b>	Due Diligence <i>Guest Speaker (Due Diligence)</i>	<b>Reading:</b> <i>Case: Valhalla Partners Due Diligence</i>
<b>9/20</b>	Business Model Analysis Market Validation & Competitive Analysis	<b>Reading:</b> <i>Article: How Venture Capitalists Evaluate Potential Venture Opportunities</i>
<b>9/27</b>	How to Evaluate a Medical Device Company <i>Guest Speaker (Medical Device)</i>	<b>Reading:</b> <i>Case: Valhalla Partners Due Diligence – con't</i> <b>Assignment Due:</b> Due Diligence Plan
<b>10/4</b>	Valuation	<b>Reading:</b> <i>Article: Valuation in Private Equity Settings</i>
<b>10/11</b>	The Pitch & Supporting Documentation <i>Q &amp; A with Kala Marathi</i>	<b>Reading:</b> TBD <b>Assignment Due:</b> Initial Company Valuation
<b>10/18</b>	Valuation Review <i>Guest Speaker (Valuation)</i>	<b>Reading:</b> <i>Case Study: Frank Spence</i>
<b>10/25</b>	Deal Structure & Term Sheets <i>Guest Speaker (Venture Capital)</i>	<b>Reading:</b> <i>Article: Deal Structure and Deal Terms</i>
<b>11/1</b>	Present Recommendations to Class	<b>Assignment Due:</b> Company Assessment and Recommendation Presentation
<b>11/8</b>	Follow up Meetings with Student Teams	
<b>11/15</b>	Follow up Meetings with Student Teams	<b>Assignment Due:</b> Final Assessments Due
<b>11/29</b>	Present Recommendations to Board Follow up Meetings with Student Teams	<b>Assignment Due:</b> Prepare Final Presentation with Supporting Documentation