Course description: This course provides an overview of the venture capital world. Though the capstone of the class is the Venture Capital Investment Competition (VCIC), the curriculum is more broadly designed to provide students with the necessary tools to evaluate early-stage investment opportunities. Attendance, however, is limited to students who fully intend to participate in the intramural VCIC.

The class is interactive and integrative – every session will involve student activity and every subsequent week will build on the materials covered previously. Guest speakers include entrepreneurs, VCs, early-stage attorneys and prior VCIC competitors; and, students will engage with them on a weekly basis. Through team-based exercises, Q&A and role play, you’ll get into character as a venture capitalist. We will cover such basics as business planning, valuation, term sheets, the investment life cycle and negotiations. Venture Deals – Be Smarter Than Your Lawyer and Venture Capitalist, by Brad Feld and Jason Mendelson is required reading; other readings will be topical, online research as recommended by industry experts – the more research you do, the more you will get out of the class. The course will entail weekly deliverables and readings; one set of responses will be required for each team. It is a 2-credit, C/NC course, but credit cannot be granted to students who miss more than two classes. This is a participation sport – not for casual spectators – and full engagement is expected for the greater good!

What is VCIC? The premier entrepreneurial strategy competition for more than 60 of the top international business schools, the VCIC (http://www.vcic.unc.edu/) is entering its 18th year. Turning the traditional business plan competition on its head, students pose as venture capitalists managing a $150 million fund. Student teams will read and evaluate business plans, interview CEOs, make an investment decision, and construct and negotiate a term sheet – all in a fish bowl under observation by real life venture capitalist judges. The UW intramural competition will be held at UW on Saturday, January 10, 2015. The winning team will compete at a regional competition in the Silicon Valley hosted by the University of North Carolina on February 6, 2015, and eight regional champions will move forward to the 18th annual international competition at the University of North Carolina – Chapel Hill from April 9-11, 2015. The UW has a strong VCIC tradition, winning world championships in 2004 and 2006 and a second place finish in 2008.
Syllabus

Week 1: 9/25/14 “Getting Into Character”

Welcome to the Venture Capital Investment Competition course! In this introductory class, you’ll get an overview of the quarter and of the industry. You’ll work in random teams until you select your own teams. Be sure to get to know your classmates so you can select a well-balanced team for the competition.

- Assignments:
  - Review VCIC website (www.vcic.unc.edu)
  - Read Venture Deals – Be Smarter Than Your Lawyer and Venture Capitalist

Week 2: 10/2/14 “Think Like an Investor”

In this session, you’ll learn what the competition is all about. This will put the quarter in perspective and show you exactly how to get to the goal – to win the VCIC competition!

- Assignments:
  - Read Paul Graham’s essays (http://paulgraham.com/fr.html)

Week 3: 10/9/14 “All Term Sheets All the Time”

We’re really moving up the hockey stick as you get a crash course in the nuts and bolts of term sheets. You’ll get an understanding of what “market” is and what the key focal areas are as you prepare yourself to negotiate with entrepreneurs.

Week 4: 10/16/14 “Math isn’t Hard!” aka The Waterfall Diagram

Let’s learn how to make money in venture capital investing! This is determined by a variety of market conditions and the terms specified in the term sheet. We will walk you through a case study, “Notes on Contents of a Term Sheet”, to demonstrate how the theories play out in practice.

Week 5: 10/23/14 “A Day in the Life”

Learn what it’s really like to be a VC and what to look for in a deal, including the metrics and industry standards to consider when evaluating a company. And we’ll hear from our first Guinea Pig entrepreneur! You’ll ask due diligence questions individually.

- Assignments
  - Select your team and give it a name
**Week 6: 10/30/14 “Show Me the Money”**

This is where the rubber meets the road! You’ll learn about the art and science of valuation – putting a price tag on an entrepreneur’s dream. You’ll get a behind-the-scenes look at the VC valuation methodology before you try your own hand at it. And we’ll hear from our second Guinea Pig entrepreneur. This time you’ll work in your teams to ask due diligence questions.

- **Assignments**
  - In your teams, make an investment decision from the entrepreneurs you’ve seen present and prepare a draft term sheet

**Week 7: 11/06/14 “Meet the Experts”**

This session is always one of the most popular! Each team will be assigned an industry expert to discuss the draft term sheet you have prepared. Come armed with questions about what the experts see as “market”, what techniques they use to resolve conflicts, and leave with a day-in-the-life experience from a term sheet expert.

- **Assignments**
  - Take great notes on your expert’s advice, revise your team’s term sheet and turn them in. You’ll be using them in a mock negotiation session next week.

**Week 8: 11/13/14 “Let’s Make a Deal”**

Negotiating term sheets with entrepreneurs will call upon all of your term sheet and industry knowledge as well as your relationship development prowess. We will show you how to bring your “A” game and craft a deal that paves the way for a productive, long-term relationship. After a primer on how to negotiate a term sheet, we will divide into two groups and practice these skills, negotiating a term sheet with the other team. Each team will play both sides of the negotiation – entrepreneur and VC – so remember, what comes around goes around!

- **Assignments**
  - Prepare 20+ questions for each of the entrepreneurs who received term sheets for next session’s speed dating Q&A.

**Week 9: 11/20/14 “Mock VCIC”**

Each team will have the opportunity for a lightning round of questions with each of the entrepreneurs who presented this quarter. You will be observed by a panel of judges, who will provide feedback on your Q&A sessions based on the breadth and depth of your questioning. You’ll need to cover key areas very quickly and drill down on these areas with enough diligence to assess the risk or extract critical information and then move on.
• Assignments
  o Review all of the material for the course and come armed with your questions in the last session of the quarter.

No Class 11/27/14 THANKSGIVING HOLIDAY

Week 10: 12/4/14 “It’s a Wrap”

This is our last chance to revisit the key takeaways from each of the prior sessions, so bring all your questions! We will also review the logistics for the intramural VCIC to be held on Saturday, January 10, 2015.