**Foundations of VC Syllabus (1.5 Credits)**

**Learning Objectives & Course Overview**

1. To understand and experience the process of investing in **early, mid and late stage** (primarily tech) companies
   1. Sourcing deals from the startup and growth ecosystem
   2. Conducting due diligence
   3. Valuing startups
   4. Negotiating term sheets (financial and governance terms)
   5. Managing a portfolio post investment
2. To understand the venture capital landscape: players and resources
3. To understand the differences between venture capital stages
4. This course will not go into sector specific investment strategies

The course is practical. You will first learn tools and frameworks and then apply them to homework exercises and a Group diligence project. There will be several expert guest speakers from the tech and venture capital ecosystems, who will supplement the topics so students get a varied perspective.

Intended Audience:

* Aspiring VC, PE, or angel investors who want to understand how investors evaluate startups.
* Interested industry operators who want to understand how the VC industry fuels innovation.
* Founders who want to understand how venture capital investors evaluate startups.
* This course is not intended for students who want to deep dive on a particular sector or who have prior PE or VC experience.

**Pre-Requisites & Connection to Core**

* Co-Requisite: Capital Markets
* This course is a pre-req for other VC courses (e.g., Building a VC Investment Thesis, 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
* Please do not reach out to OSA or the professor to ask to audit. This course tends to be highly over-subscribed, and the CBS’ policy is that auditing is not allowed when a course is overbid because there is no equitable way to determine who will be allowed to audit

**Course Calendar**

* 6 session course commencing Monday September 12 for 5 weeks.
* The 6th and final session will be held on Wednesday 12 October. Week commencing October 10th there will be two classes: Monday 9/10 and Wednesday 12/10. Semester ends Friday 14/10.

**Faculty Bio**

[Hilary Gosher](https://www.linkedin.com/in/hgosher/) is a Managing Director at Insight Partners. She leads Insight Growth Platform, the firm’s operators and growth experts who accelerate scale at portfolio companies. Hilary founded this team which includes Insight's due diligence expertise, software Centers of Excellence, portfolio community of executives, and Insight’s marketing and PR. She has invested more than $1B in tech companies of which 4 companies have achieved an IPO.

Hilary is currently a Board Director for Alma, Clarify Health and Chrono24. She is also on the Board of the National Venture Capital Association. Hilary has been an Adjunct Associate Professor at Columbia University's SIPA for Tech Entrepreneurship. She previously held this position at NYU Stern School of Business. She is a co-founder of Declare (acquired by Luminary), a firm dedicated to developing women business leaders. She is on the Investment Committee of 20/20 Vision Capital, a fund of funds investing in diverse VC managers.

[David Spiro](https://www.linkedin.com/in/davidspiro23/) will assist with the course. He is a Managing Director at Insight Partners where he focuses on investments in both high growth and mature software businesses and is responsible for executing transactions and assisting in portfolio management post-close. David is also actively involved in Insight’s training, mentorship, and recruiting programs.

**Grading**

**25%: Class participation**

* If you are not present for Day 1, you will not be allowed to add the course. If you are enrolled and you do not attend Day 1, you will be dropped from the course.
* If you add the course at the last minute, you are expected to complete the pre-work.
* If you miss one subsequent 3-hour session, the highest grade you will be able to receive is a HP-
* If you miss two subsequent 3-hour sessions, the highest grade you will be able to receive is a P+
* Please be on time and engaged for the entire class. Device usage (phones, laptops) will take away from your participation grade (when not used for learning as directed by the instructor).
* Students are expected to actively participate in discussions, pulling in insights from readings.
* When guests are in the room and peers are presenting, be respectful. Listen, be engaged, and be prepared to ask thoughtful questions and provide feedback when appropriate.

**40%: Individual Assignments**

* All assignments are individual assignments
* The concept checks and cap table math exercises are graded 30% based on completion, 70% based on accuracy

**35%: Group project – Diligence Memo (no final exam)**

* A group assignment will be handed out during the second week of class. This is due within 2 days of the final class.
* Groups will consist of a maximum of 6 people. Choose with care – your will learn more if you work with someone who has some previous founder, fundraising or investment experience.
* You will be asked to grade your team members on individual contribution to the group project.

**Course & Homework Overview**

**Session overview:** this is taught as a 6-class course.

Appendix with reading list required for each class to be uploaded shortly. There is no set textbook. All readings are available for download from internet.

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| **1:**  **9/12/22** | **VC Ecosystem:**   * Introductions * Overview of venture capital * The VC Ecosystem * How the stages are defined (seed, series A ..) * Differences between stages * How do VCs source deals? | *Homework due:*  Pre-class survey (individual)  *Guest speaker:*  Seed/ VC investor panel |
| **2:**  **9/19/22** | **Due Diligence:**   * Overview of different parts of diligence process * Key KPIs / Metrics that VCs care about * How to size a market * How to raise a venture capital round | *Homework due:*  Final team assignment: Final Presentation to be explained during this session  *Guest speaker:*  Series Seed/ A Founder |
| **3:**  **9/26/22** | **Valuation & Venture Math:**   * Venture math and returns modeling * Fund performance metrics * Capital structure overview * Valuation frameworks * Cap table math / dilution / exit payouts | *Homework due:*  Finalize teams and begin work on Final assignment.  *Guest speaker:*  Panel Series A Founders |
| **4:**  **10/3/22** | **Term Sheets and legal process:**   * Financial (economic) & governance (control) terms * Key terms from founder and VC perspective * Overview of legal diligence and closing process | *Homework due:*  Cap table math exercise (individual)  *Guest speaker:*  Early-stage legal counsel |
| **5:**  **10/10/22** | **Fund and Portfolio Management**   * Investors’ roles / value-add post investment * Board composition and governance * Potential exit paths for portfolio companies | *Homework due:*  Concept check quiz  *Guest Speaker:*  VC “Platform” leader |
| **6:**  **10/12/22** | **Final Presentations:**   * Each team presents a summary of their diligence findings and makes an investment recommendation to the investment committee * Feedback and diligence discussion; Lessons learned | *Homework due:*  Final Diligence Memo (Group Project) |