

## Venture Capital Seminar

### Spring 2023, A Term

### FINCB8385-001

**Professor Zak Schwarzman** - zks7@columbia.edu

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Communications from professor and teaching assistants about the course will take place through Canvas. Students should make sure they regularly check for announcements and messaging notifications.

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#### **COURSE DESCRIPTION**

This goal of this course is to deepen students understanding of venture capital industry dynamics, venture capital firm operations and key competencies involved in venture capital investing. This course is taught from the perspective of a firm GP. You will learn from investors at different VC firms to learn about strategic decisions they made building and managing their firms and portfolios. Class sessions consist of lecture, case studies, discussion, guest speakers, and individual and group assignments.

#### **FACULTY BIO**

**Adjunct Professor Zak Schwarzman** is a General Partner at MetaProp, a New York-based venture capital firm focused on the real estate technology (“PropTech”) industry. Founded in 2015, MetaProp’s investment team has invested in 175+ technology companies across the real estate value chain. The firm manages multiple funds for both financial and strategic real estate investors that represent a pilot- and test-ready sandbox of 20+ billion square feet across every real estate asset type and global market. Zak manages MetaProp’s investment activities and works closely with portfolio companies to move their businesses forward.

Zak’s investment experience spans seed, multi-stage and corporate venture capital and he is an active member of New York’s startup community. Prior to joining MetaProp, Zak was a Principal at Gotham Ventures, a seed-stage venture capital firm and affiliate of the Draper Venture Network. Zak’s previous venture capital background includes experience with Canaan Partners, AOL Ventures and LearnCapital.

Zak is a Kauffman Fellow and holds an M.B.A. from Columbia Business School and a B.A. in Political Economy and Business from Tulane University.

#### **INTENDED AUDIENCE**

This course is appropriate for students who are interested in careers in venture capital or otherwise have significant interest in the venture capital industry and/or high growth startup financing.

#### **PRE-REQUISITES**

Foundations of VC is a pre-requisite for this course.

## **LEARNING OBJECTIVES & COURSE OVERVIEW**

1. Gain additional familiarity with the landscape of VC firms and strategies--their similarities, differences, range, nuances and personalities—through a bottom-up look at several individual firms as well as top-down industry exploration.
2. Explore and gain an appreciation for the dynamics that drive VC behavior at firm, fund and individual deal levels.
3. Get hands on experience with some of the technical tools and activities used by venture firms and investors, such as fund modeling, investment valuation, term sheets, etc.
4. Develop an appreciation for the role that venture capitalists play as portfolio company board members and become familiar with the role's primary responsibilities.
5. Gain exposure to the non-GP parties (e.g. LPs, venture lawyers, back office, etc.) and non-investment related activities (e.g. fundraising, firm and partnership structuring) that are important contributors to the success of venture capital firms.
6. Deepen students' understanding of the longer-term trend lines that offer context for today's VC industry and explore where the industry may be heading.

## **CLASSROOM NORMS AND EXPECTATIONS**

This is an advanced-level course that is designed to benefit from engaged, lively student participation. Students are encouraged to contribute to their own learning and that of their peers by preparing thoroughly for and engaging thoughtfully in in-class discussions. Students are encouraged to ask clarifying questions, to venture good-faith guesses and test out opinions liberally to advance their understanding of class concepts. Multiple perspectives are encouraged. As is the incorporation of experiences and examples drawn from outside the classroom. The goal is for loose, free flowing conversation centered on core course topics.

Students should come prepared to contribute to in-class conversation, which will often center on case studies and other pre-read materials.

The course will include presentations and discussion with several guest speakers.

Students are expected to adhere to CBS Core Culture in this class by being Present, Prepared, and Participating. The use of laptops, cell phones and other devices is discouraged unless directly related to classwork.

Feedback is a gift. It's the professor's hope that students will feel comfortable and empowered to help steer course content and classroom conversation in directions that are most relevant and helpful to their intellectual curiosity and professional pursuits.

**COURSE ROADMAP/SCHEDULE**

<b>Session</b>	<b>Topic(s)</b>	<b>Required Pre-Readings</b>	<b>Assignments Due</b>
<b>1</b> 1/24/2023	<b>Firm formation, strategy and fund modeling</b>	NextView Ventures (case)  Pear VC: Early-Stage Venture Capital in 2022 (case)  Fund model workbook review	Read syllabus carefully  Answer online survey  Answer discussion questions
<b>2</b> 1/31/2023	<b>Sourcing, diligence and valuation</b>	Valuing Early-Stage Businesses: The Venture Capital Method  How Venture Capitalists Make Decisions  Antler (case)  Pear Venture Capital (case)	Fund model assignment  Answer discussion questions
<b>3</b> 2/7/2023	<b>Term sheets, venture law and GP dynamics</b>	Venture Deals (selections)  FlexShyft: Term Sheet Negotiation (case)  Platinum Capital (case)	DD/Valuation assignment  Answer discussion questions
<b>4</b> 2/14/2023	<b>Boards and governance</b>	Startup Boards (selections)  FTX and the problem of unchecked founder power  When Founders Go Too Far	FlexShyft B case analysis  Answer discussion questions
<b>5</b> 2/21/2023	<b>LPs and Fundraising</b>	TBA	Answer discussion questions
<b>6</b> 2/28/2023	<b>Future of venture</b>	Don't Pin Your Hopes On VC Dry Powder  Howard Marks: "Sea Change"  Fred Wilson: "What Happened in 2022":  "Playing Different Games"  Softbank Vision Fund: Changing Dynamics of Venture Capital (case)	Answer discussion questions

## **GRADING**

### **30%: Class participation**

- If you are not present for Day 1 in person, you will not be allowed to add the course. If you are enrolled and you do not attend Day 1 in person, you will be dropped from the course.
- If you add the course at the last minute, you are expected to complete the pre-work
- Given that class attendance is central to the learning, missing any subsequent sessions (unexcused) will lower your grade.
- Please be on time and present 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
- You will also be asked to grade group members on individual contribution to the group project

### **30%: Final project (no final exam)**

## **ATTENDANCE POLICY**

Students are required to attend each class. Students should reach out to the instructor or TA regarding excused absences (for religious observances; personal, medical, and family emergencies; military service; court appearances such as jury duty). Unexcused absences will affect your course grade.

This course may use PollEverywhere as a tool to increase in-class student engagement. PollEverywhere may also be used to confirm student attendance and participation records.