



[EVD] ENTREPRENEURSHIP, VC AND DEALS

Introduction

It is important for both start-up entrepreneurs and corporate entrepreneurs around the world to understand how new companies are created in the Bay Area and the role that venture capitalists play in this process. Influential ideas such as the “Lean Start-up” originated from the experiences of entrepreneurs in the Valley and have hence gained global popularity. This course deals with real life examples that shed light on how entrepreneurs and venture capitalists work together to create and grow companies.

The course will be led by Mathieu Carenzo with the help and support of Mauricio Prieto; co-founder of Edreams.com and long-time entrepreneur from Silicon Valley.

Objectives

- To gain insights into the key factors of success in launching start-ups.
- To understand how venture capital (VC) works.
- To interact with key players of Silicon Valley’s entrepreneurial and VC ecosystems.
- To put negotiation skills into practice during a financing round.
- To pitch new business ideas generated by the participants.

Competences

Basic

- Possess and understand knowledge that provides a basis or opportunity to be original in the development and / or application of ideas, often in a research context.
- The students know how to apply the knowledge acquired and their ability to solve problems in new or unfamiliar environments within broader (or multidisciplinary) contexts related to their area of study.

- The students can integrate knowledge and face the complexity of formulating judgments based on information that, being incomplete or limited, includes reflections on social and ethical responsibilities linked to the application of their knowledge and judgments.
- Students know how to communicate their conclusions and the knowledge and ultimate reasons that support them to specialized and non-specialized audiences in a clear and unambiguous way.
- Students possess the learning skills that allow them to continue studying in a way that will be largely self-directed or autonomous.

General

- To explain and discuss business situations in a rigorous, effective way using both formal and informal procedures, and providing relevant information to support their observations and conclusions.
- To distinguish and categorize relevant information effectively for business decision making.
- To interpret the global context in order to analyze and judge the threats and opportunities facing the organization.
- To formulate and evaluate business strategies in decision making, anticipating the economic consequences of action plans.
- To apply business techniques that integrate the interests of all parties in order to reach satisfactory, lasting agreements by uncovering or creating elements that bring added value to the relationship.

Specific

- To evaluate decisions to buy or sell assets and businesses using criteria related to strategy, economics/finances, and execution of the transaction.
- To analyze the impact of the sector climate and the macroeconomic climate on the business from the standpoint of the CEO.
- To identify the catalysts of personal and organizational change to foster the entrepreneurial and innovative behavior that makes it possible to adapt to changing business environments.
- To understand and evaluate cultures of innovation and entrepreneurship within one's own business (intrapreneurship).

Competences explained:

The course will foster valuable general competencies for the general manager such as holistic thinking and the ability to synthesize and correlate to create and finance a new business. At the same time, it will strengthen specific competencies that are important for entrepreneurial managers, giving them the ability to:

- Know what is necessary to convert ideas into actual business opportunities.
- Determine the value of a start-up based on the venture capital method.
- Understand dilution and its consequences.
- Know the sources of funding for new ventures and their tradeoffs.
- Increase confidence in the ability to negotiate term sheet and deal terms.

Sell an idea (the goal of the new business) to others to gain the support and resources necessary for success.

Content

We will cover topics such as lean start-ups, venture capital, start-up valuations, investment term sheets (liquidation preferences, antidilution), term sheet negotiations and pitching new business opportunities.

Evaluation

- 1) On-time and quality of the submission of the assignments - preparation and consolidation (50% of course grade)
- 2) Contributions to in-class learning during the module and team presentation (50% of course grade)