

**An Introduction to Venture Capital –  
A Toolkit for Analyzing and Financing Startups**

*SUBJECT TO CHANGE*

**Class Information:**

The Introduction to Venture Capital class is a combination of Professor Meadow's Commercializing Innovation and Entrepreneurial Finance + Private Equity classes taught at Chicago Booth. This class will serve as a comprehensive introduction to the world of venture capital and equip you with the tools to analyze a private enterprise (startup). The first half of the course will focus on "building intellectual proof of concept" – a research- and data-driven approach to communicating the strategy and underlying economics of a new venture in an effective manner. The second half of the course will focus on the venture capitalist's perspective on financing new enterprises and provide you with an understanding of valuation, security design, term sheet design, and the legal documentation and negotiation process that occurs around a startup financing event and exit. You'll learn the methods of analysis to make the proper judgment from the investor's point-of-view. The course will require that you develop primary and secondary research skills, a data-driven approach to creating referenceable projections, presentation skills, negotiation skills, and the ability to do meaningful analysis (i.e. to think creatively and logically).

Using the case method and guest lecturers to supplement the casework, this class is meant to aid those students who are considering being part of an entrepreneurial enterprise or evaluating such enterprises from the seat of the public or private investor. Professor Meadow has invested in or rejected most of the cases in this class and ample opportunities are provided to learn from this experience.

Within the class, students will be divided into groups of approximately 7-10 students per group. These groups should be formed by the end of Week 1 and should include a diverse mix of student backgrounds. Your TAs will supply you with all of the required templates, term sheets, and financial models to succeed in the course.

**Attendance for all ten weeks of the course is critical for your success and for other students' success in this team-based course.**

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**An Introduction to Venture Capital –**  
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**Winter 2019**

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**General Information:**

Professor: Scott F. Meadow, Clinical Professor of Entrepreneurship  
Email: [scott.meadow@chicagobooth.edu](mailto:scott.meadow@chicagobooth.edu)  
Office: Harper Center – Room 440

Class Times & Locations:  
Every Wednesday from January 9 through March 13 at 6:00-9:00 p.m – Harper Center C-09

**Teaching Assistants:**

Lead TA: Mel Cohen (Malka) [melissa.malka@chicagobooth.edu](mailto:melissa.malka@chicagobooth.edu)

Final list of TAs to follow closer to start date.

**Course Material:**

All course material will be available through Canvas.

**Proposed Class Schedule (subject to change):**

<b>Week 1:</b>	<b>January 9, 2019</b>
Content:	Class Introduction  <u>Cases:</u> Staples Building Intellectual Proof of Concept, Part 1
Readings:	TBD
<b>Week 2:</b>	<b>January 16, 2019</b>
Content:	Introduction to Analogs  <u>Cases:</u> Building Intellectual Proof of Concept, Part 2 Just Grapes
Readings:	TBD
<b>Week 3:</b>	<b>January 23, 2019</b>
Content:	Introduction to Unit Models

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	<u>Cases:</u> Wind Marijuana
Readings:	TBD
<b>Week 4:</b>	<b>January 30, 2019</b>
Content:	Selecting Analogs and Evaluating the Profit Formula  <u>Cases:</u> Sunrise Assisted Living Kumbuya
Readings:	TBD
<b>Week 5:</b>	<b>February 6, 2019</b>
Content:	Free Money, Grants, Off-shoring, & Joint Ventures  <u>Cases:</u> Seurat Therapeutics  Guest Speaker: Yuan Zhang, Seurat CEO
Readings:	TBD
<b>Week 6:</b>	<b>February 13, 2019</b>
Content:	An Introduction to VC Terminology and Basic Financial Statement Analysis  (New Material)
Readings:	TBD
<b>Review Session:</b>	TBD
Content:	Term Sheets, Valuation, & Negotiation
<b>Week 7:</b>	<b>February 20, 2019</b>
Content:	An Overview of Venture Capital  <u>Cases:</u> Technical Data + Yale, Visible Interactive Part 1
Readings:	TBD

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<b>Review Session:</b>	TBD
Content:	Term Sheets, Valuation, & Negotiation
<b>Week 8:</b>	<b>February 27, 2019</b>
Content:	<u>Case</u>  Visible Interactive Part 2, Horizon
Readings:	TBD
<b>Week 9:</b>	<b>March 6, 2019</b>
Content:	A Discussion on Exit (New Material)  <u>Case</u> TAFi
Readings:	TBD
<b>Week 10:</b>	<b>March 13, 2019</b>
Content:	<u>Term Sheet Negotiation Session</u>  Term Sheet for Spend-A-Buck
Readings:	None
<b>Final:</b>	<b>March 20, 2019</b>
	<u>Case</u>  Spend-A-Buck

**CLASS ROOM ETIQUETTE:**

Cell-phones are to be turned off or placed on silent during the class. Laptops are only permitted during the Q&A session after group presentations. Handouts for each presentation will be provided during class.

**ACCOMODATIONS:**

If you require any accommodations for this course, as soon as possible please provide Professor Meadow with a copy of your Accommodation Determination Letter (provided to you by the Student Disability Services office) so that you may discuss with him how your accommodations may be implemented in this course. The University of Chicago is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or think you may have a disability) and, as a result, need a reasonable accommodation to participate in class, complete course requirements, or benefit from the University's programs or services, you are encouraged to contact Student Disability Services as soon as possible. To receive reasonable accommodation, you must be appropriately registered with Student Disability Services. Contact information for Student Disability Services is listed below:

Phone: 773-702- 6000/TTY 773-795-1186

Email: [disabilities@uchicago.edu](mailto:disabilities@uchicago.edu)

Website: [disabilities.uchicago.edu](http://disabilities.uchicago.edu)

Office: Student Disability Services is located at 5501 S. Ellis Avenue.

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Professor Meadow has held the position of Clinical Professor of Entrepreneurship at the University of Chicago Booth School of Business since 2000. He was awarded the 2002, 2003, 2004, and 2005 Phoenix Prize and The Faculty Excellence Award in 2010. He was designated by Business Week's "Guide to the Best Business Schools") as one of the outstanding entrepreneurial professors in the country. Professor Meadow has taught 10,000 students at Chicago Booth in Entrepreneurial Finance and Private Equity, Commercializing Innovation (which he created. Since 1982, Professor Meadow has been a principal investor in the private equity industry. Professor Meadow has been a general partner with four venture capital and private equity firms. He has approved hundreds of equity financings, been active in fundraising and has personally originated or created over sixty investments including two dozen healthcare services companies, over a dozen consumer services and retail companies, and numerous tech companies. Professor Meadow is the 2011 recipient of the Richard J. Daley Medal. He earned his A.B. Magna Cum Laude from Harvard College and his M.B.A. from Harvard Business School.