

<b>Course Code &amp; No. - Section:</b>	ENTP 320 - Section 1
<b>Course Title (Credits):</b>	Financing Entrepreneurial Ventures (3)
<b>Term &amp; Year:</b>	Spring 2014
<b>Course Ref. No. (CRN):</b>	10049
<b>Instructor:</b>	Rick Winfield
<b>Phone:</b>	775-223-9664 (weekdays, 6-8 p.m.)
<b>Email:</b>	<a href="mailto:rwinfield@sierranevada.edu">rwinfield@sierranevada.edu</a>
<b>Office:</b>	2 <sup>nd</sup> floor TCES
<b>Office Hours:</b>	Any time, by appointment (I will always stay after class W 4:00-5:00pm if requested)
<b>Class Meeting Time:</b>	MW 2:30 - 3:45 p.m.
<b>Location:</b>	Prim Library, room 214
<b>Prerequisites:</b>	ACCT 204, BFIN 351, and ENTP 313 or ENTP 410
<b>Corequisites:</b>	None

### Course Description

This course covers the financial challenges unique to small and medium-sized firms either starting up or experiencing periods of rapid growth. Topics include raising “seed” and growth capital, using angel funds and venture capital, IPOs, sources of capital for long and short-term needs, and franchising and licensing. Students will develop comprehensive, multi-year pro forma income statements, balance sheets, cash flow analyses, and break-even analyses for an entrepreneurial venture, either real or hypothetical, and defend their capitalization plan before a live audience.

### Student Outcomes

Upon successful completion of this course, a student will be able to:

1. Understand the life cycle stages of a venture and the appropriate financial management.
2. Understand the types and sources of financial capital and the related investment process for each stage in the venture’s life cycle.
3. Understand the legal environment related to the financial relationships among ventures, investors, and financial institutions.
4. Understand and apply accounting theory and techniques of financial reporting and management to the entrepreneurial venture.
5. Draft a formal request for funding.

### Methods of Assessing Student Outcomes

Student outcomes will be assessed using the following:

1. Class Participation;
2. Midterm Exam;
3. Group Investment Pitch;
4. Final Exam – Analysis of an investment offer.

### Instructional Strategies

This class will utilize small group and individual work in class using laptop computers, inquiry learning, case studies, guest lectures, and readings. There will be a semester long project that has both a group and individual component.

**Required Texts and Materials**

1. *Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalists*; Feld and Mendelson; Wiley; © 2012; ISBN: 0-201-78129-8
2. *Financing Your Small Business*; Burk and Lehman; Sourcebook; © 2006; ISBN: 978-1572485532
3. *Online Readings*; Listed in Syllabus and provided by Professor
4. *Case Studies*; Case study materials will provided by the Professor
5. Laptop computer (one that meets the published SNC Laptop Requirements)
6. Microsoft Excel, Word, and PowerPoint (You may use Open Office or Google Apps if you do not have Microsoft Office, however all documents must be handed in MS Office formats)

**Attendance**

Attendance is MANDATORY and you are expected to arrive on time and not leave early. Each unexcused absences will result in -5 points and unexcused late arrivals and early departures will result in -2.5 points (excused absences, late arrivals, and early departures for things like illness, SNC sports, etc must be pre-approved by the professor either in person or by email).

**Final Project**

There will be a semester long project that will account for 50% of your total grade. The project will be divided into two parts. The first part is a GROUP pitch (60% of the project/30% of your total grade). The class will divide into 4 groups, each group will have 10 minutes to pitch their business to the class (the investors) followed by 20 minutes of Q&A from the Professor & class (a great time to add some last minute class participation points). Each group must also supply complete backup documentation for their investment pitch including a business plan, 5-year pro-forma financials, etc.

Each group must assign a CEO as group leader. This can be tough within a group of founders that start as equals, but you will find all investors require it. At the end of the semester the CEO will evaluate all group members and each group member will evaluate the CEO.

It is NOT necessary to have all members of the group speak during the presentation; in fact it is rare to have more than one person speak during an investor pitch. All members of the group will receive the same grade for this portion of the project.

The second part of the final project will be an INDIVIDUAL final exam (40% of the project/20% of your total grade). For the exam, each student will be given an investment offer based on the group's pitch. You will analyze this offer and highlighting the important features of the offer and their implications. You will then either accept the offer or make a counter proposal.

Groups have two choices for the project. If you have a business idea of your own you may form a team to work on this with the approval of the Professor. Otherwise, groups may choose from a selection of projects provided by the Professor.

Remember, expect the unexpected! Groups must provide bi-weekly status reports to the Professor and can expect new information, parameters, conditions, and/or opportunities to be added by the Professor as the semester goes on.

**Class Requirements.**

Turn off your cell phone BEFORE you come to class. I do not want to see nor hear your cell phone. NO TEXT MESSAGING. Violations of this policy will affect your class participation grade.

You may use your laptops for note-taking as long as you do not abuse this privilege. No email, IMing, games, or web surfing, otherwise the privilege will be revoked.

**Prim Library Resources**

Using the library's resources effectively (not just Internet resources) contributes to developing each of SNC's core themes by exposing students to high quality academic resources, diverse opinions, new ideas, and a future that

includes building on a liberal arts education. In this course, you will be expected to utilize the library's resources (either on-site or remotely) as you complete your assignments.

## **Sanctions for Cheating and/or Plagiarism**

### **The Honor Code**

The faculty of SNC believes students must be held to high standards of integrity in all aspects of college life in order to promote the educational mission of the College and to encourage respect for the rights of others. Each student brings to the SNC community unique skills, talents, values and experiences which, when expressed within the community, contribute to the quality of the educational environment and the growth and development of the individual. Students share with members of the faculty, administration and staff the responsibility for creating and maintaining an environment conducive to learning and personal development, where actions are guided by mutual respect, integrity, responsibility and trust. The faculty and students alike must make diligent efforts to ensure high standards are upheld by their colleagues and peers as well as themselves. Therefore faculty and students accept responsibility for maintaining these standards at Sierra Nevada College and are obligated to comply with its regulations and procedures, which they are expected to read and understand.

### **Consequences of Violating the Student Honor Code**

SNC students and faculty share the responsibility for maintaining an environment of academic honesty. Thus, all are responsible for knowing and abiding by the SNC Faculty/Student Honor Code published in the current SNC Catalog. Faculty are responsible for presenting the Honor Code and the consequences of violating it to students at the start of their classes AND for reporting all incidences of academic dishonesty to the Provost. Students are responsible for knowing what constitutes CHEATING, PLAGIARISM and FABRICATION and for refraining from these and other forms of academic dishonesty. Violations of the Honor Code become part of a student's academic record.

1<sup>st</sup> Offense: Student receives a zero for assignment/exam and counseling with faculty on the honor code, consequences for violating the honor code, and the value of academic honesty in learning.

2<sup>nd</sup> Offense: Student fails course and receives counseling with faculty on the honor code, consequences for violating the honor code, and the value of academic honesty in learning.

3<sup>rd</sup> Offense: Student is expelled.

## **Grading Policy**

Grades are determined on a 100 Point Scale with points allocated as follows:

### **Class Participation – 30 Points**

Students are expected to come to class prepared and to actively participate. This is not a lecture class and it is not a spectator sport. The Professor will cold-call students. The reading load in this class is not huge, but while the cases and readings may be short, they will be dense and require the student to fully think through the implications and reasoning behind the theory.

### **Midterm Exam – 20 Points**

There will be a midterm during the last class before spring break (and spring break will be a real break with nothing due the day we return)

### **Group Pitch – 30 Points**

Each group will have 10 minutes to pitch the class, followed by 20 minutes of Q&A. We want nothing short of EXCELLENT, COMPELLING pitches from the groups. Pitches will be backed up with a “business plan,” including pro-forma financials and the rationalization for the valuation the group is seeking.

**Final Exam – 20 Points**

For the final, the Professor will give each student a term sheet offering to invest in the venture they pitched. Students will analyze the term sheet including whether or not they would accept it and what changes they would like to negotiate on.

**Bonus Points – 10 Points**

There will be a total of 10 points available to students at the professor’s discretion. These are included for students that are highly interested in the subject area and want to look further into a topic or to students that might feel the need to make-up for areas they did not excel in (such as a poor midterm grade or early class participation). If you are interested in the bonus points, please discuss with the professor.

Grades will be assigned in the traditional manner:

- A 100-90
- B 89-80
- C 79-70
- D 69-60
- F <60

**ADA Accommodations**

In accordance with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, students with a documented disability are eligible for support services and accommodations. If a student wishes to request an accommodation, please contact the Director of Academic Support Services, Henry Conover, at (775) 831-1314 x7534, [hconover@sierranevada.edu](mailto:hconover@sierranevada.edu), office in Prim Library: PL-304.

**The SNC Email System**

The SNC email system is the official communication vehicle among students, faculty members and administrative staff and is designed to protect the confidentiality of student information as required by the Family Educational Rights and Privacy Act of 1974 Act (FERPA). Students should check their college email accounts daily during the school year.

Students have a right to forward their SNC e-mail to another e-mail account (for example, @hotmail or @gmail). However, confidentiality of student information protected by FERPA cannot be guaranteed for SNC e-mail forwarded to an outside vendor. Having email redirected does not absolve a student from the responsibilities associated with official communication sent to his or her SNC email account.

**The Sierra Nevada College Mission Statement:**

Sierra Nevada College graduates will be educated to be scholars of and contributors to a sustainable world. Sierra Nevada College combines the liberal arts and professional preparedness through an interdisciplinary curriculum that emphasizes entrepreneurial thinking and environmental, social, economic and educational sustainability.

**The Core Themes:**

Liberal Arts	Professional Preparedness
Sustainability	Entrepreneurial Thinking