

VENTURE CAPITAL AND ENTREPRENEURSHIP

Instructor

Dr. Chester Ho, Professor, IMBA, College of Commerce, NCCU
Director, Taiwan Global BioFund, Taiwan
Adviser, Global Opto, Inc.
Adviser, National Development Fund, Executive Yuan, Taiwan
Former President, Boston Life Sciences Venture Corp., Taipei, Taiwan
Former General Partner, Sycamore Ventures, Taipei, Taiwan
e-mail: chester_ho@yahoo.com
Cell phone: 0919-590-345

Class Hours

Wednesdays, 19:10 ~ 22:00

Aims of the Course

This course is about venture capital and entrepreneurship, which involves the venture investment in high tech emerging companies. The course is articulated into three main parts, tightly interrelated.

The First Part (Venture Capital) has the objective to lead the students to understand what venture capital (VC) is, how it works, how you can structure a capital raising with a VC and how it can help entrepreneurial initiatives. Accordingly, we will address the following issues regarding venture capital:

- Why venture financing?
- How venture capitalists work?
- How can venture capitalists help?
- How is a venture financing structured?
- How to choose a venture capital fund?
- What is the valuation of a company? How do venture capitalists evaluate it?

This course will not necessarily make you a venture capitalist or an entrepreneur but will give you a clearer idea about the challenges you will face in launching a new start-up business and looking for financial resources and

what it means to create a new business and to work for an entrepreneurial company. If you are planning to start a new venture or take over an existing one, this course can help you understand the role of an entrepreneur and venture capitalist in the new ventures.

The Second Part (*Entrepreneurship*) is about people and the processes related to launching and building new ventures and transforming them into sustainable and valuable enterprises. In addition, this course addresses the questions of entrepreneurship as a different management style and how entrepreneurial companies can be organized in order to reach substantial growth in the business world. The objective of this part is to give insight into entrepreneurs and entrepreneurial processes in order to:

- Understand the role and challenges of an entrepreneur
- Understand how to evaluate opportunities
- Entrepreneurship as a management style
- Entry strategies
- Competitive strategies of entrepreneurial firms
- Resourcing the new venture
- Entrepreneurial networking and networks

Business Plan

The team of four students will work on the business plan of an innovative idea of their choosing. On the other hand, for those IMBA students intending to use the business plan for thesis work, they may write the business plan individually. *Each team or individual student will give a 20 minutes presentation of its business plan, followed by a 10 minutes Q&A.* The presentation should include:

- Executive Summary
- Company Description
- Business Model Analysis
- Market & Competition Analysis
- Strategy & Company's Position
- Management & Organizational Structure
- Risk Analysis
- Valuation Analysis
- IRR Analysis

- Sources & Uses of Funds
- Basic Conditions of the Term Sheet

Dates to remember:

- **Preliminary BP Presentation – October 20 (10-min each)**
- **Final BP Presentation – December 15 & 16**

The Third Part (Case Studies):

This course is designed to be challenging. You should expect to prepare a total of three cases during the semester. Important cases in mind are Amgen, Genentech, Intel, Apple, Microsoft, Google, Amazon Facebook, Kleiner Perkins and New Enterprise Associates. This semester, however, we will choose **Amgen, Apple, and Google** for our case study. Each case will come with guideline questions.

Dates to remember:

- **Case 1: Amgen – September 29**
- **Case 2: Apple – October 27**
- **Case 3: Google – November 17**

Students are required to submit a three-page memorandum on the cases. You may work in teams of six. Only one memorandum need be handed in for a given group. The memoranda should be typed and double-spaced. They should illustrate the working relationships between venture capitalists and the entrepreneurs. Please pay special emphasis on their different rounds of financing and capitalization table. The three-page limit is for text only. You may attach other supplementary materials as you wish. The memoranda will not be accepted after the class has met.

For each case study, one group will be randomly chosen to give a 25-min presentation on the background of the case. The remaining groups are expected to actively participate in case discussions.

Class attendance, preparation, and active participation in discussions are critical to the learning process. Because this is a new area of academic inquiry, there are no textbooks from which to distill all the critical information. The learning will come from struggling together to come to a better

understanding of the key issues in the field. Also because this is a new course, your input is particularly valued as we charge forward.

Grading

Grading will be based on:

- **Class participation (25%)**
- **Short memoranda (25%),**
- **Business plan (25%)**
- **Final examination (25%).**

The final exam will be a take-home exam and will be handed out at the noon of December 10 and due back at the noon of December 13.

Office Hours

By appointment.