I am not here to teach, I am here to help you learn. Are you here to learn?

This course is dedicated entirely to hands on learning of the principles involved in creating NEW value. You will be actively working to invest significant capital into new ventures. This includes the entire process from sourcing investments, to evaluating them, and finally closing them.

Whether in business, government, or non-profit settings, creating successful new organizations is critical to creating value, accelerating economic development, and addressing pressing social issues. The creation of value from novelty is among the most difficult things to accomplish, whether forming a new unit in a government organization, a new venture in the for profit world, or a brand new non-profit organization. In this course, you must develop a pragmatic view of what is actually possible, of which paths can lead to what sorts of outcomes, and a keen eye for the B.S. that people sling as they attempt to persuade people to support them. In the face of this, you will be tempted to simply say “no” all of the time. However, that would undermine our obligation as managers to work effectively with our stakeholders, to contribute to society and our region in a productive way. Thus the balancing of risk with reward will become very personal.

Moreover, the legitimacy of your work with entrepreneurs and other investors will depend as much on your trustworthiness, transparency, and integrity as it does on your analytical excellence.

I will do everything in my power to help you learn, and to encourage you to learn even more. You will learn by doing in this course. Do, Ask, Try. You will feel nervous and uncomfortable doing things you’re not quite sure how to do.

The process:

The class meets weekly to bring you up to speed on the process and analysis involved in evaluating opportunities and organizations and strategies. This will also involve reporting on and refining due diligence for investments actively being considered. In addition, you will be assigned to be a member in an angel investor group in the Northwest and will be responsible for attending those meetings, interfacing with the other investors and working with the entrepreneurs that pitch to those groups.

Readings: While this is an experiential course such that your primary “text” will be the presentations sessions of entrepreneurs, we will also use Effectual Entrepreneurship to work around. In addition, you will read several articles on research into angel investing, as well as web posts from active venture investors throughout the country. Finally, I will distribute readings from various sources on business model design, valuation, investor terminology, specific industry trends, and so forth. These will be posted in Wise.

Learning Objectives:

1. Master the analysis of how entrepreneurs create new value.
2. Identify & create additional ways that those entrepreneurs could pursue their objectives more effectively, with an eye toward how they might employ non-profit or government efforts to do so.

3. Refine your ability to communicate positive and negative ideas with others, persuasively make the case with entrepreneurs and co-investors for or against investing.

4. Understand the Macro, Legal and Government issues central to the new venture world.

Grading:

**Self Evaluation:**
You will be involved in your own evaluation, every month you will submit a 1-2 page report evaluating your progress on each of those 5 learning objectives. I will look for you to evaluate your active involvement in the projects and groups as well as your progress in understanding the concepts of the course. These will make up 10% of your grade.

**Short Essay Exams:** Focus on objectives 1 & 2
Short essay exams will randomly and repeatedly be taken during classes. You will be presented with scenarios from various companies and assigned particularly challenges for analyzing the components, evaluating their prospects/flaws/strengths, and creating attractive alternative paths forward. These exams will be worth 40% of your grade.

**Investment Theses:** Focus on objectives 3 & 4
For each company that you progress with, you will need to produce an investment thesis. We will review these in detail, practice them, and re work them regularly. They will identify the rationale for the value creating potential of the ventures over the long run, how investors benefit from investing, the key components of the venture, and the strategic steps involved in reaching success. The best of your investment theses will be worth 40% of your grade.

**External Recommendation:** Focus on 1-4
In order to get an external perspective on your progress, you will be asked to provide a contact or two in the group to which you are assigned or from among the entrepreneurs with whom you interacted. I can either talk with these people directly, or you can ask them to provide a letter which speaks to their interactions with you and provides feedback on your performance against these learning objectives. You will complement this with your reflection on this feedback. This will be worth 10% of your grade.

**Course policies:**
Self-motivated hard work is the rule of the day. Excuses are irrelevant.

Don’t pass off the work of others as your own. Always be honest.

We will handle A LOT of private information from private companies. We will discuss real people in evaluative ways. We will be actively reaching out to people to learn more. All of these interactions must respect privacy and be professional. When you’re not sure if something is appropriate, assume that it’s not and keep it to yourself while you and I talk it through.

I am always reachable, contact me anytime you are working on something and need assistance.

ACTIONS SPEAK LOUDER THAN WORDS
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<tr>
<th>SCHEDULE</th>
<th>TOPIC</th>
<th>ACTIVITY</th>
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<tbody>
<tr>
<td>Week 1</td>
<td>Introduction to Venture Finance</td>
<td>Group Assignments &amp; logistics</td>
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<td>Week 2</td>
<td>Investment Criteria &amp; proposals</td>
<td>Practical interaction with entrepreneurs</td>
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<td>Week 3</td>
<td>Valuation and Transaction Terms</td>
<td>Angel Investors &amp; Co-investing</td>
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<td>Week 4</td>
<td>Entrepreneurship &amp; the reality of starting up</td>
<td>Begin attending investor group meetings</td>
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<td><strong>DUE:</strong> Self Evaluation Paper</td>
<td>Friday Guest speaker, at Portland Center</td>
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<td>Week 5</td>
<td>Effectuation continued, entrepreneurial expertise</td>
<td>Report out and review investments</td>
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<td>Week 6</td>
<td>Investment decisions &amp; Affordable loss</td>
<td>Report out and Review Investments</td>
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<td>Week 7</td>
<td>Investment theses &amp; investment approval</td>
<td>Report out and Review Investments</td>
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<td><strong>DUE:</strong> Self Evaluation Paper</td>
<td>Friday Guest Speaker at Portland Center</td>
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<td>Week 8</td>
<td>Investment theses continued</td>
<td>Diligence work on investments</td>
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<td>Week 9</td>
<td>Due Diligence work and process</td>
<td>Continue attending angel investor sessions</td>
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<td><strong>DUE:</strong> Self Evaluation Paper</td>
<td>Friday Guest Speaker at Portland Center</td>
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<td><strong>DUE:</strong> Investment Thesis 1, on the company you’re most interested in thus far.</td>
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<td>Week 10</td>
<td>Financial modeling in new ventures: Transaction economics</td>
<td>Report and review investments</td>
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<td>Week 11</td>
<td>Reflection on learning process thus far: what have you learned? How, specifically, have you learned it?</td>
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Week 12  Pitching investment proposals  Report and review Investments

Week 13  Preparing investment proposal for advisory review  Report and Review Investments

DUE: Self Evaluation Paper

Week 14  Preparing investment proposal for advisory review  Report and Review Investments

DUE: Investment thesis #2 on current proposal.

All weeks going forward will involve:
A. Attend and manage your angel group sessions.
B. Report and review new investment opportunities
C. Progress on Diligence work for specific promising investments.
D. Prepare investment package for advisory board approval and investment.
E. Attend Friday guest speaker sessions approx. every 3 weeks.
F. Read material specifically distributed to you as appropriate to our projects

In the first week of April, your external recommendations are due.