MGMT5322
Venture Capital Finance

Course Outline
Session 3, 2015

Part A: Course-Specific Information

Please consult Part B for key information on AGSM & Universities policies (including those on plagiarism and special consideration), student responsibilities and student support services.
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PART A: COURSE-SPECIFIC INFORMATION

1 STAFF CONTACT DETAILS

Lecturer-in-charge: Stephane Chatonsky, BA ESSEC Paris, MBA Wharton, FAICD
Phone No: +61 414 748 158
Email: stephane.chatonsky@agsm.edu.au
Consultation Times – will be discussed in class or by appointment)

Stéphane is a co-founder and managing director of Ivest has over 15 years experience as an investment and strategy leader with a blend of private equity, venture capital, investment banking, strategy consulting and corporate experience with a strong Asian and emerging markets focus. Stéphane has experience across a broad range of industries, including financial services and insurance, healthcare, education, medias, telecommunications, retail, consumer and business services.

Prior to co-founding Ivest, Stéphane was a General Partner at LeapFrog Investments, a leading emerging markets private equity fund and had overall responsibility for South East Asia. Stéphane worked in principal investment and investment banking at Macquarie Bank and was a management consultant at McKinsey & Co focusing on financials services, media and telecommunication across the Asia-Pacific region. Prior to McKinsey, Stéphane was an investment banker at Lazard Frères & Co in Europe. Overall, Stéphane has taken a leading or central role in over 30 privateequity transactions.

Stéphane sits on the global advisory board of LeapFrog Investments and is an Adjunct Faculty of the Australian Graduate School of Management, an Honorary Fellow at Macquarie University and Tsinghua University and has taught Private Equity, Venture Capital and Valuation and Financial Modeling to post-graduate students in Australia, Singapore, China PRC and Hong Kong.

Stephane is also a member of the expert panel of UNSW, specialised in issues of corporate finance, private equity, venture capital and corporate valuation. He has been retained as expert to $100+m civil claim.

Stéphane holds an MBA from the Wharton Graduate School and a BSc Economics from Essec (Paris). He is a Fellow from the Australian Institute of Company Directors.

2 COURSE DETAILS

2.1 Teaching Times and Locations

<table>
<thead>
<tr>
<th>Lecture time</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>Fridays 9.30am to 12.20pm</td>
<td>TBD</td>
</tr>
</tbody>
</table>

The course consists of a 2 hour 50 minute class unit each week. Attendance and participation in this session is an important component of the course.

There are no tutorials for this course.

Updated information about class times and locations can be found on the AGSM website and by logging in to the Google Calendar.
2.2 Units of Credit
The course is worth 6 units of credit.

2.3 Summary of Course
To understand what venture capital is, what venture capitalists do, the way venture capital organisations work and why/how they play such a significant role in the economy. This course will alternatively take the perspectives of the venture capitalist and that of the entrepreneur.

2.4 Course Aims and Relationship to Other Courses
Private equity and Venture capital has grown from the equivalent of 1.5 percent of global stock market capitalisation in 2000 to 3.5 percent in 2012.

Venture Capital is playing a critical role in shaping our economy and supporting innovation and economic growth. Yet very little known and understood on how venture capital firms operate. This course seeks to understand what venture capital is, what venture capitalists do, the way venture capital organisations work and why/how they play such a significant role in the economy.

This course is primarily geared towards students interested in corporate, entrepreneurial finance or entrepreneurship. Specifically students who wish to be working in venture capital or other private-equity organizations or alongside private equity and venture capital investors, such as entrepreneurs, managers of firms financed by such investors, as investment bankers taking their firms public, or as fund managers investing in these funds.

The course essentially follows the “venture capital cycle”, focusing sequentially on the main financial and operational activities of venture capital: from assessing opportunities, valuing ventures, negotiating and structuring investments, managing investments and exiting.

This course is an advanced Corporate Finance course and assumes a solid understanding of Finance concepts.

Core Finance or its equivalent is a prerequisite. Students without strong Finance backgrounds who wish to take Venture Capital Finance are very strongly recommended to take Corporate Finance (elective) to support their knowledge of Finance concepts used in Venture Capital Finance.

2.5 Student Learning Outcomes
The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

By the end of this course, you should be able to, among others:
1. Explain why venture capital and private equity play an important role in the “real” economy and financial markets
2. Illustrate the key differences between the private and public financial markets
3. Evaluate a potential venture capital investment from a strategic and financial standpoint
4. Determine which valuation method is most appropriate depending on the context of the valuation exercise, the nature of the opportunity and the stage of its development
5. Apply the appropriate valuation method
6. Negotiate an appropriate investment structure, both from an investor and investee perspective
7. Describe the responsibilities of directors of private companies, in particular in a private equity/venture capital context
8. Explain the key determinants that drive the choice of IPO versus trade sale when exiting an investment
9. Construct written work that is logically and professionally presented.
10. Communicate ideas in a succinct and clear manner.
11. Understand how issues of culture and social mores affect negotiation in a private equity/venture capital context
12. Work collaboratively to complete a task or project

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all postgraduate coursework students in the ASB. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree (e.g. ‘be an effective team player’). You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree (e.g. ‘participate collaboratively and responsibly in teams’).

### ASB Postgraduate Coursework Program Learning Goals and Outcomes

1. **Knowledge: Our graduates will have current disciplinary or interdisciplinary knowledge applicable in local and global contexts.**
   
   You should be able to identify and apply current knowledge of disciplinary or interdisciplinary theory and professional practice to business in local and global environments.

2. **Critical thinking and problem solving: Our graduates will have critical thinking and problem solving skills applicable to business and management practice or issues.**
   
   You should be able to identify, research and analyse complex issues and problems in business and/or management, and propose appropriate and well-justified solutions.

3. **Communication: Our graduates will be effective communicators in professional contexts.**
   
   You should be able to:
   a. Produce written documents that communicate complex disciplinary ideas and information effectively for the intended audience and purpose, and
   b. Produce oral presentations that communicate complex disciplinary ideas and information effectively for the intended audience and purpose.

4. **Teamwork: Our graduates will be effective team participants.**
   
   You should be able to participate collaboratively and responsibly in teams, and reflect on your own teamwork, and on the team’s processes and ability to achieve outcomes.

5. **Ethical, social and environmental responsibility: Our graduates will have a sound awareness of ethical, social, cultural and environmental implications of business issues and practice.**
   
   You should be able to:
   a. Identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice, and
   b. Consider social and cultural implications of business and/or management practice.

6. **Leadership: Our graduates will have an understanding of effective leadership. (MBA and MBT programs only).**
   
   You should be able to reflect on your personal leadership experience, and on the capabilities necessary for leadership.
For more information on the Postgraduate Coursework Program Learning Goals and Outcomes, see Part B of the course outline.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed (they may also be developed in tutorials and other activities):

<table>
<thead>
<tr>
<th>Program Learning Goals and Outcomes</th>
<th>Course Learning Outcomes</th>
<th>Course Assessment Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>This course helps you to achieve the following learning goals for all ASB postgraduate coursework students:</td>
<td>On successful completion of the course, you should be able to:</td>
<td>This learning outcome will be assessed in the following items:</td>
</tr>
<tr>
<td>1 Knowledge</td>
<td>• Illustrate the key differences between the private and public financial markets</td>
<td>• Individual assignment</td>
</tr>
<tr>
<td></td>
<td>• Apply the appropriate valuation method</td>
<td>• Exam</td>
</tr>
<tr>
<td></td>
<td>• Describe the responsibilities of directors of private companies, in particular in a private equity/venture capital context</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Explain the key determinants that drive the choice of IPO versus trade sale when exiting an investment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Critical thinking and problem solving</td>
<td>• Class participation</td>
</tr>
<tr>
<td></td>
<td>• Explain why venture capital and private equity play an important role in the “real” economy and financial markets</td>
<td>• Negotiation “game”</td>
</tr>
<tr>
<td></td>
<td>• Determine which valuation method is most appropriate depending on the context of the valuation exercise, the nature of the opportunity and the stage of its development</td>
<td>• Individual assignment</td>
</tr>
<tr>
<td></td>
<td>• Negotiate an appropriate investment structure, both from an investor and investee perspective</td>
<td></td>
</tr>
<tr>
<td>3a Written communication</td>
<td>• Construct written work that is logically and professionally presented.</td>
<td>• All three assignments</td>
</tr>
<tr>
<td>3b Oral communication</td>
<td>• Communicate ideas in a succinct and clear manner.</td>
<td>• Exam</td>
</tr>
<tr>
<td>4 Teamwork</td>
<td>• Work collaboratively to complete a task or project</td>
<td>• Class participation</td>
</tr>
<tr>
<td>5a. Ethical, environmental and sustainability responsibility</td>
<td></td>
<td>• Not specifically assessed</td>
</tr>
<tr>
<td>5b. Social and cultural awareness</td>
<td>• Understand how issues of culture and social mores affect negotiation in a private equity/venture capital context</td>
<td>• Negotiation “game”</td>
</tr>
</tbody>
</table>
3 LEARNING AND TEACHING ACTIVITIES

We believe that what you get out of this course is eventually fairly correlated with what you put in. We also believe that true adult learning happens while doing, this is experiential learning.

Consequently, the class will evidence a mix of lectures, discussion, group and individual activities. Students should expect their view-points and experiences to be sought after intensively during the class. In discussing topics in class, we place a high value on respect for one another’s point of view. At the same time, there may be instances, in the interest of meeting course objectives in a timely manner, when we will be unable to solicit input from every student who has a view-point.

A few principles and beliefs underpin the design and delivery of this course:

− It is about understanding, not memory as what is memorised is easily forgotten whereas what is understood is in our mind forever;
− What is hard is finding the question, the answer on the other hand is often obvious;
− Real world is uncertain, few things are black or white ... a management and finance course should reflect that reality;
− There is value in starting from first principles ... not assuming anything.

Students bring important expectations to the class. Minimally, you must expect us to be prepared, enthusiastic, constructive and approachable. We all have our “off days” but we will try to deliver on those expectations. Please contact us if we are not “matching”. Obviously, we will have more latitude for accommodation/reconciliation/adjustment if difficulties are addressed early in the course.

Computers are not allowed to be used in class (unless we indicate otherwise) – surfing emerges as an inevitable and regrettable result, and is distracting for everyone.

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you must:

− Achieve a composite mark of at least 50; and
− Achieve a mark of at least 50 at the final exam
− Make a satisfactory attempt at all assessment tasks

4.2 Assessment Details

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weighting</th>
<th>Length</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Assignment #1</td>
<td>15%</td>
<td>See below</td>
<td>Unit 5 (16 October)</td>
</tr>
<tr>
<td>Individual Assignment</td>
<td>20%</td>
<td>See below</td>
<td>Unit 8 (16 November)</td>
</tr>
<tr>
<td>Group Assignment #2</td>
<td>15%</td>
<td>See below</td>
<td>Unit 11 (27 November)</td>
</tr>
<tr>
<td>Class Participation</td>
<td>10%</td>
<td>N/A</td>
<td>On-going</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40%</td>
<td>3 hours plus 15 minutes of reading time</td>
<td>University Exam Period</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Assignments are to be submitted before the start of the unit when they are due. Assignments can be submitted either directly to the lecturer, by email in pdf format only (not excel or word) or in the assignment box at the MBA reception.

You should answer the questions using the models, theories and methodologies that are taught in the units that are being assessed. You should not base your answer only on ‘common sense’ or your own experiences. Where appropriate, your answers should briefly explore multiple points of view. You should also briefly identify any flaws in your own analysis.

It is recommended that any written answers are concise and make use bullet points, tables, simple charts where appropriate. Make sure that your answers are neat and legible. It is better to write a concise but legible answer than to write a long but illegible one.

Do not waste time merely summarising the case.

A suggested solution for each assignment will be given out and discussed in class. We will attempt to return the graded assignments promptly.

It is common for full-time MBA students to attempt to ‘haggle’ for extra marks after receiving their papers back. You should avoid this impulse and accept the mark that has been given unless you believe that a key element in your answer has been misunderstood or there has been an adding up error.

Group Assignment # 1: Case Study “AudienceView”

Assignment shall not exceed 10 pages including exhibits in font 10.

This assignment shall be done in groups. Those groups will consist of no less than 3 and no more than 4 students. More instructions will be given in relation to the formation of those groups during our first meeting.

The objective of this assignment is to apply the ideas and principles developed in unit 1 to 4 of the course (general overview and assessment of investment opportunities).

Individual Assignment: The Venture Capital Method – Valuation Problem Set

This assignment is individual. As such, it cannot be discussed with other students.

The objective of this assignment, mostly quantitative in nature, is to apply the techniques developed in unit 5 and 6 of the course (valuation in a venture capital context).

Do not be fooled by the level of the first few questions. Certain questions are particularly challenging as they require you to go beyond what has been strictly discussed in class and to be imaginative in the way you solve the questions.
Note that I will not accept soft copies of spreadsheet for this assignment. Relevant tables will need to be pdfed or inserted into a word document. Please do limit yourself to the relevant tables and calculations when you submit the assignment.

**Group Assignment # 2: Case Study “WebTracker”**

Assignment shall not exceed 10 pages including exhibits in font 10.

This assignment shall be done in groups. Those groups will consist of no less than 3 and no more than 4 students. Those groups shall be the same as for the first group assignment unless previously discussed and agreed with the lecturer.

The objective of this assignment is to apply the ideas and principles developed in unit 7 and 9 of the course (negotiation in a venture capital context).

**Final Exam**

The final exam will take place in week 13 at a time and location to be determined by AGSM towards the end of the session.

The objective of the final exam is to test whether you have achieved the learning objectives of units 1 to 12 of the course.

You will have 3 hours to complete the exam plus 30 minutes of reading time. In the reading time, you will be allowed to make hand-written notes on the question paper or your note paper but will not be allowed to write in the answer booklet.

The exam is open book and you can refer to your course notes and or summary notes. However, it is unlikely that you will have time to make extensive use of these materials. It is recommended that you only refer to one-page summaries of each unit. Computers and mobile phones must be switched off. If you need to use a calculator then you must use an ordinary scientific calculator (and not your phone).

You should answer the questions using the models, theories and methodologies that are taught in the units that are being assessed. You should not base your answer only on ‘common sense’ or your own experiences. Where appropriate, your answers should briefly explore multiple points of view. You should also briefly identify any flaws in your own analysis.

It is recommended that any written answers are concise and make use bullet points, tables or simple charts where appropriate. It is recommended that any quantitative answers make appropriate use of equations, graphs and tables.

Make sure that your answers are neat and legible. It is better to write a concise but legible answer than to write a long but illegible one.

You will not receive back your mark or your exam paper. AGSM will notify you of your final mark and grade for the subject.

**4.3 Late Submission**

AGSM MBA Programs applies a daily penalty of 5% to late assignments. This policy was reviewed in October 2009 in light of the fact that certain schools within the Australian School of Business apply a 10% penalty. The decision of AGSM MBA Programs following this review was that current 5% penalty is appropriate to all of our programs and will remain unchanged.
Refer to policy at: http://www.asb.unsw.edu.au/currentstudents/agsmmba/academicinformation/assessmentsandexaminations/Pages/default.aspx

<table>
<thead>
<tr>
<th>Quality Assurance</th>
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</thead>
<tbody>
<tr>
<td>The ASB is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of ASB programs. All material used for such processes will be treated as confidential.</td>
</tr>
</tbody>
</table>

5 COURSE RESOURCES

There is a course pack available for each student in the class. Copies of the slides used in the class will be distributed at the beginning of each class.

There is no textbook for this course.

6 COURSE EVALUATION AND DEVELOPMENT

Mid- and end-of-Session feedback is sought from students about the courses offered in the AGSM MBA Program, and continual improvements are made based on this feedback. The mid-Session feedback is collected in weeks 3 or 4, and communicated to students in the class following its collection. Significant changes to courses and programs within the Program based on end-of-Session feedback are communicated to subsequent cohorts of students.
# COURSE SCHEDULE

## Session 1: Friday 18 September 2015

**Class time and location**
- 9.30 am to 12.20 pm

**Topics**
- Course introduction
- **Overview of the venture capital industry and key definitions**: During the next three units, we will consider the role of venture capital in the overall economy and how the venture capital industry actually works as a whole. We will also briefly discuss some of the biggest successes and failures of venture capital. The case ‘Yale University Investment Office’ will support us in discussing the issue of asset allocation and overall private equity strategy from the point of view of “Limited Partners”.

**Required Readings**
- “A Note on funding digital innovation start-ups”, Harvard Business School
- “A Note on the Venture Capital Industry”, Harvard Business School
- “Technical Note: The Private Equity Industry”, Kellogg School of Management
- “Why and How to Invest in Private Equity”, Avcal

**Suggested Readings**
- “Global Private Equity 2015”, Bain & Company
- “Asia Private Equity 2015”, Bain & Co

## Session 2: Friday 25 September 2015

**Class time and location**
- 9.30 am to 12.20 pm

**Topics**
- **Overview of the venture capital industry (continued) and “war stories”**

**Required Readings**
- “Illuminate Ventures: raising a venture fund”, Harvard Business School
- “Study of Australian Superannuation fund attitudes to private equity investing”, UNSW April 2008
- “Fund Formation and Incentive Report”, Private Equity International

**Suggested Readings**
- Avcal 2014 Yearbook
- Asia-Pacific Private Equity Review”, PEI March 2012
- Milken Institute Report
- “2011 Pan-European Private Equity Performance Benchmarks Study”, EVCA
- “Persistence in VC capital returns”, Alignment Group
Session 3: Friday 2 October 2015

Class time and location
– 9.30am to 12.20pm

Topics
– Overview of the venture capital industry (continued)
– “Yale University Investments Office: February 2011”

Required Readings
– “Venture Capital Fact Sheet”, Avcal
– “Private Equity Fact Sheet”, Avcal

Instructions for the class

Come ready to discuss the case in class. Case can be prepared with your study group.

– How did the Investment Office decide the timing of when to make private equity investments? What explains the differences between their strategies in private equity with that in other asset classes (e.g. Real estate)?
– How did the Investment Office select, compensate and control private equity fund managers? What explains the difference between their strategies in private equity with that in other asset classes (e.g. Real estate)?
– How has the Investment Office’s approach differed across sub-classes of private equity investments? What explains the differences?
– How is the private equity industry changing? How could Swensen’s private equity strategy go wrong?
– Should David Swensen shift his private equity strategy?
## Session 4: Friday 9 October 2015

### Class time and location
- 9.30am to 12.20pm

### Topics
- **Guest Speaker & Debate: Craig Blair, Partner, AirTree Ventures**
- **Assessment of investment opportunities:** During this session, we consider the way investment opportunities are assessed by venture capitalists. We will focus on early stage investments.

### Required Readings
- "How to write a great business plan" by William A. Shannan, Harvard Business School
- “The Top Ten Lies of Entrepreneurs” by Guy Kawasaki, Harvard Business Review
- “Life in the half-fast lane” and “Lies VC tell” by Howard Anderson, Technology Investor
- “How VC evaluate potential venture opportunities”, Harvard Business School

### Suggested Readings
- "Best Practices: Decision Making Among Venture Capital Firms”, Harvard Business School
Session 5: Friday 16 October 2015

Class time and location
- 9.30 to 12.20pm

Topics
- Discussion of case “AudienceView”
- Valuation in a venture capital context: We will start to consider the difficult and critical issue of valuation in a venture capital context. We investigate the challenges faced by venture capitalist when they want to value early-stage high risk companies. We will describe the different valuation methods that professionals use and discuss the advantages and disadvantages of each of those methods.

Assignment

Group Assignment #1: Case Study “AudienceView”

Students will work on this assignment in their study group. Answers to the questions below are to be handed at the beginning of session 5. Keep a copy for you for the class discussion.

1. What information provided in the case makes this opportunity appear to be a good investment?
2. What information about the company gives you concerns?
3. What information do you need that you either don’t have or is very sketchy?
4. Identify which issues are the most important to come to grips with; that is, if you don’t get a positive answer
5. How would you go about getting the information you decide that you need?
Session 6: Friday 23 October 2015

Class time and location
- 9.30am to 12.20pm

Topics
- Valuation in a venture capital context (continued)

Required Readings
- “A Note on Pre-money and Post-money Valuation”, Harvard Business School
- “A Note on Valuation in Private Equity Settings”, Harvard Business School
- “Funding New Ventures: Valuation, Financing, and Capitalization Tables, Harvard Business School
- “The basic of VC formula”, Harvard Business School

Suggested Readings
- “Investment Opportunities as Real Options: Getting Started on the Numbers”, by Timothy A. Luehrman, Harvard Business Review

Session 7: Monday 30 October 2015

Class time and location
- 9.30am to 12.20 pm

Topics
- Negotiation in a venture capital context: We consider the broad issue of negotiation between the different players in the venture capital industry such as the venture capitalist, the entrepreneur looking for funding, the portfolio company. We will illustrate this issue through a role-play. We will then consider how venture capitalists invest in companies and contract with the entrepreneurs.

Required Readings
- “Venture Capital Negotiations: VC versus Entrepreneurs”, Harvard Business School
- “Aspects of Financial Contracting in Venture Capital”, by William A. Sahlman
- “Good and bad levers”, by Keith Fountain

Suggested Readings
- “Everything You Ever Wanted To Know About Convertible Note Seed Financings”, by Scott Edward Walker
### Session 8: Friday 16 November 2015

**Class time and location**
- 9.30am to 12.20pm

**Topics**
- We will review the valuation problem set

**Assignment**

**Individual Assignment: “The Venture Capital Method – Valuation Problem Set”**

Students will work on this assignment individually. Focus on answering the questions fully, clearly and succinctly. Answers to the questions below are to be handed at the beginning of session 8. Keep a copy for you for the class discussion.

### Session 9: Friday 13 November 2015

**Class time and location**
- 9.30am to 12.20 pm

**Topics**
- Negotiation in a venture capital context (continued)

**Required Readings**
- “Contracting and Control in Venture Capital”, Harvard Business School

### Session 10: Friday 20 November 2015

**Class time and location**
- 9.30am to 12.20pm

**Topics**
- **Managing investments and exiting:** We consider how venture capitalists manage their investments. The concept of ‘value added services’ will be introduced. We will also analyze how venture capitalists exit from investments, in what ways it impacts the entrepreneurs, the raising of additional capital and the public markets themselves.

**Required Readings**
- “Engaging For Growth”, The Boston Consulting Group
- “Too soon to IPO?” by David Champion, Harvard Business Review
### Session 11: Friday 27 November 2015

**Class time and location**  
- 9.30am to 12.20pm

**Topics**  
- We will review the case “WebTracker”

**Required Readings**  
- “A Note on Private Equity Securities”, Harvard Business School  
- “The early stage term sheet”, Darden University  
- “A “Rich vs King” approach to term sheet negotiation”, Harvard Business School

**Assignment**

**Group Assignment #2: Case Study “Webtrack”**

Students will work on this assignment in their study group. Answers to the questions below are to be handed at the beginning of session 11. Keep a copy for the class discussion.

1. What are the primary differences and similarities between the two term sheets?  
2. Which one do you prefer, and why? How do the reputations and characteristics of the two individual VCs and their firms factor into your choices?  
3. Which terms would you attempt to negotiate with each VC and what would be your negotiation strategy?  
4. How does your view of WebTracker’s growth and exit trajectory influence your decision whether you believe the scenario laid out by the founders? If you see a merger/acquisition or IPO as the likely exit?

### Session 12: Friday 4 December 2015

**Class time and location**  
- 9.30am to 12.20pm

**Topics**  
- Conclusion & Final Questions

**Required Readings**  
- “Just how bad is IRR?”, Private Equity International  
- “Money multiple and IRR too simplistic”, Private Equity International  
- “Australian Tech millionaire production line gathers pace”, AFR  
- “Private equity changing perceptions and new realities”, McKinsey  
- “VC jumps by almost $400m in a year”, Avcal

**Suggested Readings**  
- “McKinsey on reconciling returns”, Private Equity International  
- “Asia Pacific Private Equity Outlook”, Ernst & Young November 2011