

Syllabus: FIN 341 Financial Aspects of New Ventures (Spring 2021)

Class Hours: Wednesday and Friday, 12:00 to 1:15pm
Class Location: All classes will be online using the **Zoom** platform
Instructor: Ben Bystrom
Office: BusAd E602j (Note: I will mostly be working from my home office)
Office Hours: E-mail or call me anytime to discuss projects, assignments and lecture notes.
If I don't pick-up my cell, leave a message and I will get back to you ASAP.
My set times for phone or zoom conversations are: Monday 3:00 to 4:30pm, Wed 1:30 to 3:00pm, Fri 9:45 to 11:00am. Catching me before or after class is fine too.
Phone: Cell: 808-226-6049 (call my cell, not my office number)
E-mail: bbystrom@hawaii.edu

Textbook: Entrepreneurial Finance
By: J. Chris Leach and Ronald W. Melicher
(Purchasing the textbook is optional. The textbook is a helpful reference but the key concepts and material will be covered in class notes, assignments and lectures.)

Class Notes: Lecture outlines/notes will be made available on Lulima. Expand on these notes as necessary during class lectures, discussions, and activities. Financial statements, case studies, excel models and other material will also be provided on Lulima.

Course Goals and Objectives:

- Provide practical financial skills for planning, launching, funding, operating, expanding and selling entrepreneurial/venture businesses.
- Topics covered will include:
 - Identifying a viable and profitable venture opportunity
 - Forming the business organization
 - Developing an efficient financial plan and policies (managing cash and growth)
 - Raising capital for growth (venture capital, equity, debt, asset-based financing)
 - Analyzing financial statements and ratios from a new venture perspective
 - Creating pro-forma financials for a fast growth venture business
 - Valuing and modeling (in excel) a new entrepreneurial company or venture
 - Developing exit strategies (IPO, private sale)
 - Analyzing and valuing Intellectual Property/Patents in venture businesses
 - Creating term sheets for issuance of debt and equity securities
 - Pitching your venture business to equity and debt investors
- Course is taught via lecture and interactive, in-class exercises. Students must prepare for and participate in all these activities. Assignments are developed to get students involved and learn from the experience.
- Strong “real-world” focus (i.e. case studies, problem solving, deals, trades, etc.).

Additional:

- Calculators: Have your business calculator available for class each day. The Hewlett Packard 10bII and Texas Instruments BAI Plus are fine for the problems we will cover.
- Excel: An understanding of excel will be necessary for project work. If you need extra help with Excel, call during my office hours.

Grading:

The following factors will be used to measure students' progress through the course.

Assignments/Cases: In-class cases, short homework assignments and participation. Assignments will be done in both individual and group formats. These assignments provide a foundation for your major projects.

Examinations: Due to the online format of the course, there will not be any exams this semester. Alternatively, there will be more project and assignment-based work.

Excel Projects: There will be both group and individual computer excel-based assignments during the semester designed to financially model the concepts and skills discussed in class. The main assignment will be in groups and involve excel financial modeling, analysis and a written executive summary (600 words maximum). Detailed instructions will be provided in class.

Group Project: Groups (5 students per group) will present a 15-minute (limit) oral presentation. Each group will pitch a new business venture to potential equity and debt investors. In addition to the oral presentation, requirements include: 1) Written executive summary (800 words maximum), 2) Term sheet detailing your equity issuance, 3) Power Point presentation (25 content slide maximum) 4) PDF of any supporting information (excel model details, pro-forma financial statements, etc.) and 5) Excel file of your pro-forma financials and valuation model.

Class Participation: Students are strongly encouraged to actively participate in class discussions. Note: quality (not just quantity) of participation is important. We will have in-class assignments (case studies and problems) and regularly discuss current events/market trends providing students with various opportunities to participate.

Your course grade will be based on a **reasonable curve** over the total points accumulated on all assignments. The following weights pertain to those assignments:

Assignments/Cases/Participation	40%
Excel Project(s)	25%
Final Group Presentation	35%

Course Prerequisites: BUS 314

Attendance Policy:

While attendance is not taken, do your very best to attend because completing in-class assignments are an important component of your grade. Projects will be collected in class on the day due. You must have a written medical excuse if absent from a group presentation.

Schedule of Events:

Below is the **tentative** schedule of events subject to changes depending on progress made during the course. Reading assignments include the Class Lecture Notes, the *Entrepreneurial Finance* (text reading is optional) and additional handouts provided in class. You should read the material prior to class so as to maximize the usefulness of classroom time. I will be asking students questions in class.

Session	Date	Day	Topic	Pre-reading Assignment
1	Jan-13	Wed	Trends, Ideas, Ventures and Viability	Chps 1 & 2 Notes
2	Jan-15	Fri	Trends, Ideas, Ventures and Viability	Chps 1 & 2
3	Jan-20	Wed	Business Form	Chp 3 Notes
4	Jan-22	Fri	Financial Statement & Cash Flow Analysis	Chp 4 Notes
5	Jan-27	Wed	Financial Statement & Cash Flow Analysis	Chp 4
6	Jan-29	Fri	Financial Statement & Cash Flow Analysis	Chp 4
7	Feb-3	Wed	Financial Policy Analysis – Breakeven	Chp 5 Notes
8	Feb-5	Fri	Financial Policy Analysis -- Ratios	Chp 5
9	Feb-10	Wed	Raising Debt Capital	Chp 5
10	Feb-12	Fri	Raising Debt Capital	Case Study
11	Feb-17	Wed	Analyzing Funding Needs	Chp 6 Notes
12	Feb-19	Fri	Building Pro-forma Financials	Chp 6 / Excel
13	Feb-24	Wed	Building Pro-forma Financials	Chp 6 / Excel
14	Feb-26	Fri	Building Pro-forma Financials	Chp 6 / Excel
15	Mar-3	Wed	Cost of Capital and Risk Analysis	Chp 7
16	Mar-5	Fri	Financial Modeling / Pro-forma Financials	Excel models
17	Mar-10	Wed	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
18	Mar-12	Fri	Raising Equity Capital and Venture Valuation	Venture Valuation
	Mar-17	Wed	Holiday: Spring Break	
	Mar-19	Fri	Holiday: Spring Break	
19	Mar-24	Wed	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
20	Mar-26	Fri	Holiday: Prince Kuhio Day	
21	Mar-31	Wed	Raising Equity Capital and Venture Valuation	Venture Valuation
22	Apr-2	Fri	Holiday: Good Friday	
23	Apr-7	Wed	Raising Equity Capital and Venture Valuation	Venture Valuation
	Apr-9	Fri	Case Study on Raising Equity Capital	
24	Apr-14	Wed	Using Securities to Raise Capital and Financing Alternatives	Chps 8 & 12 Notes
25	Apr-16	Fri	PowerPoint Venture Presentation Techniques and Equity Issue Term Sheets	Examples provided
26	Apr-21	Wed	Exit Strategies/Harvesting (IPOs, Private Sales)	Chp 14 Notes
27	Apr-23	Fri	Venture Capital and Presentation Prep	Chp 11 Notes
28	Apr-28	Wed	Reserved for Guest Speakers TBD	
29	Apr-30	Fri	Group Presentations	PowerPoint is Due
30	May-5	Wed	Group Presentations	PowerPoint is Due
	May-14	Fri	No Final Exam, All remaining Group Project Deliverables due by 2:00pm	

Note: Scheduling of guest lecturers is still being arranged. Time and specific subjects will be announced in class.