

Syllabus: FIN 341 Financial Aspects of New Ventures (Fall 2020)

Class Hours: Tuesday and Thursday, 10:30 to 11:45am
Class Location: All classes will be online using the **Zoom** platform
Instructor: Ben Bystrom
Office: BusAd E602j (Note: I will be mostly working from my home office)
Office Hours: E-mail or call me 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 office hours (Wed 1:15 to 2:30pm, Friday 4:30 to 6:00pm) are open for phone calls
Phone: Cell: 808-226-6049
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 exam 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 computer-based assignments during the semester designed to financially model the concepts and skills discussed in class. The main assignment will involve spreadsheet application, 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 and additional handouts. You should read the material prior to class so as to maximize the usefulness of classroom time. I will be asking questions in class.

Session	Date	Day	Topic	Pre-reading Notes
1	Aug 25	Tues	Trends, Ideas, Ventures and Viability	Chps 1 & 2
2	Aug 27	Thur	Trends, Ideas, Ventures and Viability	Chps 1 & 2
3	Sept 1	Tues	Business Form	Chp 3
4	Sept 3	Thur	Financial Statement & Cash Flow Analysis	Chp 4
5	Sept 8	Tues	Financial Statement & Cash Flow Analysis	Chp 4
6	Sept 10	Thur	Financial Statement & Cash Flow Analysis	Chp 4
7	Sept 15	Tues	Financial Policy Analysis – Breakeven	Chp 5
8	Sept 17	Thur	Financial Policy Analysis -- Ratios	Chp 5
9	Sept 22	Tues	Raising Debt Capital	Chp 5 & Case
10	Sept 24	Thur	Raising Debt Capital	Chp 5 & Case
11	Sept 29	Tues	Analyzing Funding Needs	Chp 6
12	Oct 1	Thur	Building Pro-forma Financials	Chp 6 / Excel
13	Oct 6	Tues	Building Pro-forma Financials	Chp 6 / Excel
14	Oct 8	Thur	Building Pro-forma Financials	Chp 6 / Excel
15	Oct 13	Tues	Cost of Capital and Risk Analysis	Chp 7
16	Oct 15	Thur	Cost of Capital and Risk Analysis	Chp 7
17	Oct 20	Tues	Financial Modeling / Pro-forma Financials	Excel models
18	Oct 22	Thur	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
19	Oct 27	Tues	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
20	Oct 29	Thur	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
	Nov 3	Tues	Holiday: Election Day	Get out the Vote!
21	Nov 5	Thur	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
22	Nov 10	Tues	Case Study on Raising Equity Capital	Case
23	Nov 12	Thur	Case Study on Raising Equity Capital	Case
24	Nov 17	Tues	Using Securities to Raising Capital	Chp 8
25	Nov 19	Thur	Venture Capital and Financing Alternatives	Chps 11 & 12
26	Nov 24	Tues	Exit Strategies/Harvesting (IPOs, Private Sales)	Chp 14
	Nov 26	Thur	Holiday: Thanksgiving	
27	Dec 1	Tues	Reserved for Guest Speakers	
28	Dec 3	Thur	Group Presentations	
29	Dec 8	Tues	Group Presentations	
30	Dec 10	Thur	Group Presentations	
	Dec 15	Tues	All Final Group Presentation Project material due by 11:45am	

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