**Professor:** Rob Adams, Ph.D.

**Classroom:** AT&T M202

**Class Time:** Mondays, 6:00 PM – 9:00 PM

**Office Hours:** By appointment

**Contact:** 512-633-5955, Rob.Adams@mccombs.utexas.edu

**TA:** Logan Robinson, 320-305-6426, Logan.Robinson@mccombs.utexas.edu

**TA Office Hours:** Wed., 12:30 PM – 1:30 PM and Thu., 2:00-3:00 at AT&T One Twenty 5 Café or by appointment

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**Course Summary:**
The Texas Venture Labs Practicum (TVL-P) is an experiential course for graduate students from business, engineering, law, pharmacy and the sciences. You will work on cross-functional teams and take on projects relevant to early stage commercialization and financing. These opportunities are sourced from University and Austin area opportunities. The projects vary in order to help each specific company to better understand their market, competition, business model, financials and other projects in order to accelerate their path to funding or commercialization.

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**Required Text:**

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**Recommended Texts:**
If you’re unfamiliar with business or the early stage company process, consider these books:

Course Description and Methodology:
This course is a practicum that teaches the process of commercialization and early stage financing through a mix of classroom content and hands-on team experience with local Austin companies. Content is designed to provide a base level of knowledge on the process of analyzing the business opportunity and delivered through a mix of lectures on relevant content, guest presenters, outside events relevant to the coursework and in-class presentations.

Students apply this knowledge to projects for two different companies during the semester. Typically, students have one company that has not received funding or revenue and a second company that has already achieved at least one of those goals. Projects begin by assessing the current state of each business. Teams devise projects designed to accelerate each company’s commercialization and financing strategy. Once the projects are developed, they are executed with close coordination between the students and the entrepreneurs.

Students will be grouped into teams of 6-7 consisting of a cross section of graduate students from the UT McCombs School of Business, Cockrell School of Engineering, School of Law, College of Natural Sciences and College of Pharmacy. This cross-disciplinary approach is designed to ensure that each team possesses a broad and varied skill set.

Teams are led by a Texas Venture Labs Leadership Practicum student, who has previously completed this practicum and can provide direction and leadership to the team. On the first day of class, each startup presents their company or technology and the student teams bid on companies, according to their own preferences. At the end of the semester, the teams deliver an executive summary and a formal classroom presentation to the company covering the completed projects. This presentation will include a summary of the data collected, data driven conclusions and recommendations for the company.

Course Learning Objectives:
Business Research: How do you use secondary research to help frame your market validation strategy? What are the best tools available to UT students to help with company, competitor and industry and business model research?

Market Validation: What are the desired outcomes? When is it relevant? What is the process for a full market validation? Calculate total addressable market (TAM) using bottom up and top down approaches. Calculate market growth rate.

Survey Design: How do you ensure quality results from a survey? How do you avoid bias? What is the appropriate length and format for a given survey?

Competitive Analysis: Why is positioning important? What are some ways people evaluate gaps in a market? What makes a good partner or acquirer? Where is competitor information found? Identify key product features. Complete Porter’s five forces.
**Business Models:** What are unit economics: sale price, cost to manufacture, cost to acquire a customer? What are the different capital requirements by industry? How much does it cost to create your business? Which ratios are used to analyze validity of company financials? Estimate cost of customer acquisition from industry reports. Generate prices using competitors, substitutes, cost plus and value add approaches.

**Financial Analysis:** What is the cash flow cycle? What are the implications of the cash flow cycle on business model? What are the implications of the cash flow cycle on funding requirements?

**Legal:** How and when is intellectual property important to a startup? What types of intellectual property are there and how are they different? What are the different corporate structures? Benefits? What are major legal pitfalls for startups?

**Startup Sales and Marketing:** What is the difference between sales and marketing? What type of sales force is required for different industries/companies? How do you evaluate/choose sales people? How do you compensate them?

**Funding Strategies:** How does equity work? Why do companies want it? How much money is available from different funding sources? What type of companies fit with different funding sources? What does the funding process look like? How long does it take?

**Management Teams:** How does the stage of the company influence the positions required? Is this a function of industry? When are the typical inflection points? How do you find talented people? What skillsets are required? What are typical compensation requirements? How do you evaluate the fit before they join? How do you evaluate their performance after they join?

**Class meetings will consist of a combination of the following:**

**Academic Content:** Content will cover the fundamentals of commercialization, financing and growth in line with the objectives listed above. Top lecturers with significant domain experience will be brought in from across campus and industries to present in their areas of expertise.

**Entrepreneur Content:** Content will cover the entrepreneurial experiences of individuals who have been active in the Austin startup community. The content will cover successes, failures, trends and business-changing events.

**Deal Team Work Time:** Some class sessions will allow time for the deal teams to work on their projects. These sessions are classroom work sessions; students should place an emphasis on gaining advice and input from the Venture Partners and Dr. Adams.

**Presentations:** Certain sessions are devoted to presentations. Principals present a project overview at the beginning of the semester, Associates provide a project update in the middle of the semester and the entire team presents their results at the end of the semester.
Venture Expo: Each semester TVL hosts a Venture Expo to showcase TVL companies and the work of TVL students to an audience of investors, entrepreneurs and students. Students are required to attend as part of the course.

Classroom Protocol:
Aside from open work time, this class is run using the protocol of a board meeting. This means full respect for people’s input, while still challenging people in a professional manner. This also means if you have the floor, you are concise; you present new or compelling material and back your position up with facts, not opinions.

Participating in a board meeting means arriving on time and being fully engaged for the entirety of the class. As in a board meeting, attendance is considered mandatory in all but the most major of life or business circumstances.

You may choose to take notes electronically but if you are observed using your electronics for something other than taking notes you risk receiving a zero for that day’s class participation. Most of our speakers are guests and a lack of attentiveness on your part reflects poorly on our program and our school.

Classroom Participation:
For class participation, you receive an 80 for showing up if you do not participate or are not prepared for active, quality participation. This same rubric will be used for any in class work (individual presentations, homework assignments, participation with guest speakers, etc.). If you do not attend a class, you will receive a zero for the class until the material for that class (outlined in the next paragraph) is turned in on time. Disruptive classroom behavior or incomplete assignments can result in scores lower than 80.

Attendance at all class sessions is expected. In the event of an absence, please communicate it at least one week ahead of time and submit a five page double-spaced paper before the next class via email to the TA. If specific content was covered during an absence, that material should be summarized. If the content included team presentations or worktime, propose a topic that is agreeable to the student and TA. Students missing more than one class will be required to schedule time to speak with Dr. Adams about the reasons for their absences.

Expectations of Deal Teams Outside of Class Time:
Deal Team Work Sessions: Deal teams will schedule weekly work sessions outside of class to work on projects. Deal teams are encouraged to use the TVL workspace at AT&T. Additionally, Venture Partners serve as an additional resource to help guide the teams.

Entrepreneur Meetings: Teams will schedule a minimum of six meetings with each entrepreneur and are encouraged to host the meetings in the TVL office space. Establishing these meetings at the start of the semester ensures constant and continuous communication with the entrepreneur and ensures better results for both the team and the company.
Assignments:
For all written assignments in this class (including papers for missed classes), treat them as any other professional assignment: 12 point fonts, 1” margins, a normal typeface, etc. Using unusual formatting to pad page counts or otherwise misrepresent the work you have done will result in grade deductions.

Write-Up: If You Build It Will They Come: Due 1/26/15, the first day of class, read the book and prepare a two-page, double-spaced, summary of the “Ready, Aim, Fire” concept and provide an example of how it would apply to a specific entrepreneurial idea of your choice. Submit via Canvas.

Business Plan Evaluations: Due 1/27/15. A template for the business plan evaluation will be provided to you by the TA on Canvas. You will take all materials provided by each company you are working with and complete the evaluation with as much thoroughness as possible.

Market Opportunity Slide: Due 2/16/15. Taking content from Rob Adams’ Market Validation lecture, complete a PowerPoint slide that shows both a top-down and bottom-up approach to determining the total addressable market for one of your companies and the estimated market growth in comparison to GDP. The slide should be visually appealing and outside sources should be cited.

Competitive Landscape Slide: Due 3/23/15. Taking content from Rob Adams’ Competitive Analysis lecture, complete a PowerPoint slide that outlines one of your companies’ competitive advantages and create competitive profiles of three top competitors or substitutes. Include on publically traded company where you have analyzed their financials. The slide should be visually appealing and outside sources should be cited.

Business Model Slide: Due 3/23/15. Taking content from Rob Adams’ Business Models lecture, complete a PowerPoint slide that shows the long term breakdown of expenses for one of your companies, covering all parts of the business. Use data from the previous assignment and your company to estimate the costs associated with sales and marketing, R&D, capital and COGS. The slide should be visually appealing and outside sources should be cited.

Pricing Slide: Due 3/23/15. Taking content from Katie Mackie’s pricing lectures, complete a PowerPoint slide that estimates the price of one company’s product using both the value-based and cost-plus approaches. The slide should be visually appealing and outside sources should be cited.

Grading:
Students are graded relative to their classmates from their respective schools to account for different educational backgrounds.

Late work, if accepted, will suffer a 10% grade deduction per day. Assignments are generally due at 5 PM and are considered a day late if submitted after 5 PM on the due date.
Rubrics are provided on Canvas for each of the graded deliverables. The course is organized so 60% of each student’s grade is based on group work and 40% on individual performance. The breakdown of group and individual graded portions of the course are as follows:

**Individual (50% of total):**
- Homework and Participation (25%)
- Performance Evaluations (25%)

**Group (50%):**
- Final Projects and Presentations (35%)
- Update Presentations (15%)

Your ability to work within a team as well as to make meaningful individual contributions are both important aspects to TVL and are weighted equally.

The homework and participation grade is the result of many equally weighted assignments that result from class participation, presentation skills, slides, and the paper due at the start of the semester.

Performance evaluations occur at the end of the semester and require principals to force-rank associates and for associates to score their peers on a range of criteria.

The group grade will be the same for everyone in a given group. The final projects you create will be executive summaries explaining the work your group did on each project during the semester and the final presentation will be a presentation to the class on the same.

Update presentations include the action plans presented by principals early in the semester as well as the project update presentations presented by the team in the middle of the semester.

**Confidentiality Statement:**
It is Texas Venture Labs policy not to enter into Non-Disclosure Agreements with its partner companies. However, any and all information gained from a partner startup company is to be treated as confidential and used only for applicable business purposes and not discussed outside the classroom.

**Notice:**
Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities.

**Statement of Understanding:**
As a final note, by continuing in this class, you acknowledge that you understand everything in this syllabus, will take responsibility for clarifying any questions you have with the instructor directly and agree to the standards and expectations outlined here.
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<thead>
<tr>
<th>DATE</th>
<th>LOCATION</th>
<th>TOPIC</th>
<th>SPEAKER</th>
<th>ASSIGNMENTS DUE</th>
<th>NOTES</th>
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<tbody>
<tr>
<td>1/26/2014</td>
<td>AT&amp;T 202</td>
<td>- Entrepreneur Pitches – Early Stage (60)</td>
<td>Entrepreneurs</td>
<td>If You Build It paper due by 5pm - Canvas</td>
<td>Companies have 5 minutes to present, 5 minutes of questions</td>
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<td>- Course/Syllabus Intro (50)</td>
<td>Rob Adams</td>
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<td>- Entrepreneur Pitches – Growth Stage (60)</td>
<td>Entrepreneurs</td>
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<td>2/2/2014</td>
<td>AT&amp;T 202</td>
<td>Marketing Strategy (85)</td>
<td>Kate Mackie</td>
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<td>Meets w/ each company at least once between 1/27 and 2/6</td>
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<td>Pricing (85)</td>
<td>Kate Mackie</td>
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<td>2/9/2014</td>
<td>AT&amp;T 202</td>
<td><strong>Action Plan Presentations (70)</strong></td>
<td>Principals</td>
<td>Deck due by 5 PM via email</td>
<td>4 minutes/company, no Q&amp;A</td>
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<td></td>
<td>Business Research (50)</td>
<td>April Kessler</td>
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<td>Guest Entrepreneur (45)</td>
<td>Steven Blustein</td>
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<td>2/16/2014</td>
<td>AT&amp;T 202</td>
<td>Survey Design (90)</td>
<td>Ty Henderson</td>
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<td>Market Validation (75)</td>
<td>Rob Adams</td>
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<td>AT&amp;T 202</td>
<td>Intellectual Property (90)</td>
<td>Kevin Meek</td>
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<td>Competitive Analysis/Business Models (80)</td>
<td>Rob Adams</td>
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<td>3/2/2014</td>
<td>AT&amp;T 202</td>
<td>Startup Financials (90)</td>
<td>Jim Nolen</td>
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<td>Presentation Skills (80)</td>
<td>Venture Partners</td>
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<td>3/9/2014</td>
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<td>No Class – Makeup with Venture Expo</td>
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<td>3/16/2014</td>
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<td>No Class – Spring Break</td>
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<td>3/23/2014</td>
<td>AT&amp;T 202</td>
<td><strong>Project Update Presentations</strong></td>
<td>All</td>
<td>Presentation due by 5 PM via email</td>
<td>10 minutes/company, 8 minutes presentation, 2 minutes Q&amp;A</td>
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<td>Startup Sales &amp; Marketing (80)</td>
<td>Larry Warnock</td>
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<td>Mid-Semester Review/Venture Expo Info (50)</td>
<td>Rob Adams</td>
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<td>Team Work Time (40)</td>
<td>Teams</td>
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<td>3/30/2014</td>
<td>AT&amp;T 202</td>
<td>Casual Happy Hour</td>
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<td>4/6/2014</td>
<td>AT&amp;T 202</td>
<td>Funding Strategy (80)</td>
<td>Charley Dean</td>
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<td>Management Teams (80)</td>
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<td>4/13/2014</td>
<td>AT&amp;T 202</td>
<td>Guest Entrepreneur (60)</td>
<td>Mira Ganor</td>
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<td>Guest Entrepreneur (55)</td>
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<td>4/20/2014</td>
<td>AT&amp;T 203</td>
<td>Law of Venture Capital (60)</td>
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<td>Team Work Time (50)</td>
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<td>4/27/2014</td>
<td>AT&amp;T 202</td>
<td><strong>Final Presentations – Early Stage</strong></td>
<td>All</td>
<td>Due 5 PM via email</td>
<td>18 minutes presentation, 5 minutes Q&amp;A</td>
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<td>5/4/2014</td>
<td>AT&amp;T 202</td>
<td><strong>Final Presentations – Growth Stage</strong></td>
<td>All</td>
<td>Due 5 PM via email</td>
<td>18 minutes presentation, 5 minutes Q&amp;A</td>
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<tr>
<td>5/7/2014</td>
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<td>Venture Expo</td>
<td>Various</td>
<td>Required to participate</td>
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