



## **FIN 374S: Entrepreneurial Finance**

**Fall 2015**

### **Course Information**

**M & W 9:30 & 11:00 class**

**Class: CBA 4.328**

**BBA Upper Division**

**Phone: 512-471-4764 (not for messages)**

### **Instructor Information**

**Instructor: Regina W. Hughes**

**Office: CBA 2.222**

**Office Hrs: 8:30- 10:30 a.m. Tuesdays**

**E-mail: Regina.Hughes@McCombs.utexas.edu**

### **I. Introduction**

Entrepreneurial Finance is worthy of special study. After mastering the basic principles of Corporate Finance (Fin 357 for us) we can now discern between the concerns of investors and financial analysts of large public corporations whose evaluation models differ from the focus on smaller issues that dramatically affect the early-stage entrepreneur or new venture. You will employ the concepts and tools of finance with a special focus, such as thinking about investment opportunities as portfolios of real options- while they are particularly useful in a new venture setting, are also useful in the context of large public corporations. Entrepreneurial Finance and Private Equity are two sides of a similar coin. The goal of this course is to familiarize you with the new venture or entrepreneurial process of analyzing problems, weighing alternative actions, and choosing the best possible solution(s) to enhance wealth. The course is designed to model the new venture workplace and prepare you for a job as a future analyst of this type of investment opportunity. Private Equity firms greatly value the concepts and practices mastered throughout this course. Much of the educational process in this class takes place outside of the classroom; learning by doing gives us all a better understanding of this field.

### **II. Goals**

The primary goal of the course is to enhance your analytical and problem solving abilities. Through a combination of readings, lectures, class discussions, guest speakers and milestone presentations students should: (a) improve their speaking and business writing skills, (b) gain exposure to issues frequently encountered by business decision makers, (c) develop personal and professional skills valued by employers (e.g., time management, planning, collaboration, responsibility, and integrity), and d) discover that success in the workplace requires a combination of quantitative and qualitative skills.

### **III. Classroom Expectations**

Active attendance, participation, and preparation are required, as some of our classroom activities are devoted to milestone presentations of our entrepreneurial ventures. Students are expected to attend every class, prepare every assignment, and participate in every class discussion. Specific information will be furnished for your Milestone Presentations. The EP10 research test is provided by the McCombs School and will be of great value to us in our class.

#### **IV. Course Materials (Required)**

1. **Entrepreneurial Finance 2011** Stanford University Press by Janet Smith and Richard Smith ISBN 978-0-804707091-0 (available at the University CO-OP)
2. Other material posted on Canvas
3. Additional case material – **EP 10 Research Test will be included free of charge. A link to the instrument will be posted to Canvas.**

#### **V. Grade Computation**

2 Exams @ 20% each	40%
Milestone assignments and presentations 1-9 @ 3% each	27%
Milestone 10 and presentation	10%
Final Pitch	10%
Attendance @ .5% each on days marked by “A” on the schedule	10%
Peer Evaluation	3%

Final letter grades will be assigned according to the following criteria:

**A >93 A- 90-92.9 B+ 87-89.9 B 83-86.9 B- 80-82.9 C+ 77-79.9 C 73-76.9 C- 70-72.9, etc.**

You will receive a numeric score for each assignment. Final grades will not be determined until the scores for all assignments are entered, as indicated above. Final course grades may reflect the application of a small curve. The target GPA for the course is approximately 3.40. **All course grades are final, except in the instance of a recording error.**

Assignments that are submitted on a timely basis will be returned approximately two weeks after their submission. If you have a question about any grade assigned, you must submit the question in writing, within one week after the assignment is returned. Your inquiry should include your name, UT EID, section number, the title of the assignment, and a written explanation of why you think the grade is incorrect. **I retain the right to raise or lower grades after review. Please do not come up after class to discuss your individual grade.**

#### **VI. Exams**

Exams will be multiple choice and short-answer. Exams are closed book, closed note—you may not use textbooks, notes, outlines, etc. during the exam. The Exam II is NOT cumulative. Exam questions will come from both class lecture/discussion and the assigned reading and other materials. No laptops, cellphones or other electronic devices will be allowed during the exam. During exams, you may not leave the room until you are finished (i.e., if you leave the room before the end of the exam period you will not be allowed to re-enter). Note: If you need disability accommodation for an exam, you must comply with the requirements outlined in the “Students with Disabilities” section below.

I do not give makeup exams (subject to applicable University policy). If you miss Exam I, the percentage weight of that exam will be applied to Exam II, subject to a 10-point penalty. So, for example, if you miss Exam I, and you make an 85 on Exam II, then your Exam II grade will be 85 and the replacement grade will be 75, (85-10). **You MUST take Exam II or you will get a zero on it.** Unlike Exam I, the missed exam will not be assigned to another exam. There is no guaranteed curve, so do not plan for one, and do not ask for extra credit.

## **VII. Milestone Assignments**

All students are expected to participate in the Milestones Project. Instructions are included on Canvas. The assignments are divided into 10 separate Milestones each clearly explained with content and presentation requirements. Milestones 1 and 2 will be assigned and submitted on Canvas before the class has been identified with team assignments. Milestones 3-9 will be completed by designated group however, each student will be responsible for posting his or her own portion of the assignment onto Canvas. Milestones 1-9 each count 3% of each student's grade, equally divided by oral and written contribution. The class will be organized into teams of approximately 4 students each, depending on class size. Groups are formed from the results of your EP10 Research Test. Most students will stay in the same group for the entire semester. However, when groups cannot resolve problems, please send me an email outlining the problems and we will meet to resolve the problem. Milestone 10 and the Final Pitch are described below.

**Milestone 10 is the Financial Plan. Development and presentation of Milestone 10 will be worth 10% of your overall grade. It will also be an integral part of your Final Pitch, also worth 10% of your overall grade.** The Final Pitch Assignment will develop from the first ten Milestone assignments. Presentations will be made in a competitive environment with outside investors critiquing and giving feedback to each team. Expect this final portion of your grade to be the most challenging.

## **VIII. Class Attendance/Participation/Preparation (A/P/P) (10% of course grade)**

This is a discussion-based and team-based course and students learn as much or more from interacting with each other than from the formal presentations by the instructor. When all students attend every class it is easier to develop a culture and atmosphere conducive to sharing experiences and discussing opinions. Formal attendance will be taken each class, and you are expected to participate actively in discussions and class exercises. You will be expected to be able to answer questions and ask relevant and thoughtful questions. When evaluating any individual's contribution, quantity and volume are much less important than quality and perceptiveness.

You should view class attendance as you would work attendance. You are given **three (3) days of allowed absences** for the semester. You are expected to manage these three days to cover all expected and unexpected class absences. These three days should be saved for company recruiting or interviewing. If your absences exceed three days, **your grade will be reduced accordingly.**

**The ONLY time an absence can be exempt from this policy is for observance of a religious holy day (see University policies below) or in the case of exigent circumstances.**

## **IX. Other Grading Criteria**

The primary basis for grading written assignments is content; however, professionalism in presentation is also given substantial weight. The writing skills component of the analysis considers grammar, spelling, punctuation, appropriateness, clarity, and thought. The following book is recommended for aiding in the preparation of written work: Strunk, William, Jr. and E.B.

White, "The Elements of Style," Macmillan. Anyone who needs additional assistance in mastering basic writing skills can receive help through the Undergraduate Writing Center in the Flawn Academic Center, Room 211, or by calling 471-6222. The website for the Writing Center is <http://www.uwc.fac.utexas.edu/>.

## **X. Academic Integrity**

**Policy on Scholastic Dishonesty:** *The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://www.mcombs.utexas.edu/BBA/Code-of-Ethics.aspx>. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.*

## **XI. Additional Policies**

**A. Students with Disabilities** – *Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.*

**B. Access to Canvas** – All students must have access to the Canvas web site for this course. I will use this venue to post class notes, assignments, announcements, and grades. I will also use the E-mail feature of Canvas to correspond with you. Check the site (and your E-mail) regularly to ensure that you have the most current information. Please note the following:

*Web-based, password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see:*

<http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html>

**C. Computers and Electronic Devices** – In accordance with Finance Department policy, the use of laptop and tablet computers is prohibited, except for making class presentations. All electronic devices (cell phones, MP3s, etc.) should be stowed away during the class session. **Violation of these policies, including texting during class, will reduce your A/P/P grade.**

## **XII. Additional Comments**

The requirements and recommendations for succeeding in this course are outlined in this syllabus. Since no extra-credit is available, I encourage you to follow these policies and utilize office hours to maximize your understanding of the assignments and their specific requirements. The aforementioned policies provide the basic guidelines and code of conduct for this course. They are designed to reduce confusion and establish an equitable framework for the entire class. As a matter of principle, I will enforce these policies fairly and religiously. The “spirit” of the course is just as important as the “rules and regulations.” My goal is to create a cooperative classroom environment in which we learn from each other. To that end, I welcome your constructive comments and suggestions as we progress through the course. Your feedback is an important element of course delivery and development.

**Barring an emergency, I will be available during office hours and at additional times. I encourage you to visit with me regarding the class assignments, concerns with the course, or just to say “hello.” I am also accessible via telephone or E-mail. I will make every effort to return your call or respond to your E-mail within one business day of its receipt.**

*Regina Wilson Hughes*

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

### **Policy on Scholastic Dishonesty**

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### **Campus Safety**

Please note the following recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety>:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at: <http://www.utexas.edu/emergency>.

## Fall 2015 Semester Schedule

	DATE	TOPIC	CHAPTER	DUE TODAY	DUE NEXT CLASS
	26-Aug	Introduction	1	Read Chapter 1	Read Chapter 2
A	31-Aug	Lecture/Discussion	2	Ch 2	Read Chapter 3 Milestone 1 <b>posted to Canvas and ready to present in class*</b>
A	2-Sep	Lecture/Discussion	3	Milestone 1& Ch 3	Holiday preparation
	7-Sep	Labor Day Holiday			EP 10 TEST
A	9-Sep	Guest Speaker		EP10 Test	Read Chapter 4 & Milestone 2*
A	14-Sep	Lecture/Discussion	4	Milestone 2 & Ch 4	Your charming presence
A	16-Sep	Class Case Study			Read Chapter 5
A	21-Sep	Lecture/Discussion	5	Ch 5	Milestone 3*
A	23-Sep	Lecture/Discussion	1-5	Milestone 3	Your attentive mind
A	28-Sep	Guest Speaker			Prepare for first exam
	30-Sep	EXAM I	1-5	Your Very Best	Read Chapter 6
A	5-Oct	Lecture/Discussion	6	Ch 6	Read Chapter 7 & Milestone 4*
A	7-Oct	Lecture/Discussion	7	Milestone 4 & Ch 7	Read Chapter 8
A	12-Oct	Lecture/Discussion	8	Ch 8	Milestone 5*
A	14-Oct	Guest Speaker		Milestone 5	Read Chapter 9
A	19-Oct	Lecture/Discussion	9	Ch 9	Read Chapter 10
A	21-Oct	Lecture/Discussion	10	Ch 10	Your inquiring attitude Milestone 6 only due on Canvas
A	26-Oct	Guest Speaker			Read Chapter 11
A	28-Oct	Lecture/Discussion	11	Sanity Check	Questions from you for review Milestone 7 only due on Canvas
	2-Nov	Exam II Review	6-11	Questions/Concerns	Milestone 8*
A	4-Nov	Guest Speaker		Milestone 8	Prepare for Exam II
A	9-Nov	EXAM II	6-11	Your Very Best II	Read Chapter 12 & Milestone 9*
A	11-Nov	Lecture/Discussion	12	Ch 12 & Milestone 9	Read Chapter 13
A	16-Nov	Lecture/Discussion	13	Ch 13	Read Chapter 14
A	18-Nov	Lecture/Discussion	14	Ch 14	Milestone 10*
A	23-Nov	Milestone 10		Milestone 10	
	25-Nov	Milestone 10			Capstone Final Pitch
	30-Nov	Capstone Final Pitch			
A	2-Dec	Round Table Discussion		Team Evaluations	Instructor Evaluations TODAY

\* always posted to Canvas and ready to present in class unless otherwise noted

! Milestones are always due posted to Canvas prior to the beginning of class

Attendance is taken every classday and relies on your Namecard properly displayed

Any unauthorized use of electronic devices negates your class presence

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# Milestone Project Instructions

## Milestone 1: Interview an Entrepreneur

Interview an entrepreneur in an industry or business that interests you. Focus on how and why this person started his or her business. Write a 1page (single-spaced, 11 font, Calibri) summary of your interview and post it to Canvas under M1. You **MUST** interview a real person. Austin is teaming with Entrepreneurs and there are some good websites to help you. Here are some suggestions of questions to ask:

- Person's background and career path
- How did you find the person and why did you choose to interview him or her?
- What motivated this person to become an entrepreneur?
- What inspired him or her to pick the product/service or industry?
- How did he or she know it was the right time or the right environment to launch the business?
- What steps did he or she take to get started?
- Who helped along the way?
- What problems had to be overcome?
- Does Entrepreneur's future plans include a sell-off, IPO, merger, etc?
- Collect a Business Card from your interviewee that you can leave with your instructor

You will post your Interview as an assignment on Canvas under M1. ALSO, be prepared to make a **1-minute, (60 second)** presentation in class going over the highlights of your interview. The Document Camera will be available for pictures.

## Milestone 2: Pitch an (existing) App

Describe an app, website, or resource that saves time, money or something else you value – explain what it is, how you use it, and why others should use it too. **WHATEVER YOU CHOOSE MUST CURRENTLY EXIST IN THE MARKETPLACE.** I am NOT asking you to make up something at this point. I genuinely want you to share with the class something that you think works well and is a good example of a company that is solving a “pain in the market”. Write a 250-word pitch and turn it in on Canvas under M2. ALSO, be prepared to deliver a **1-minute, (60 second)** pitch about your chosen product. The Document Camera will be available for pictures or demonstrations.

**Note: By now, you will be working with your identified team**

## Milestone 3: Identify a Pain in the Market

As a team, identify a **Pain in the Market** and explain the pain to the class. Customers pay for value and to solve a problem they have. Your task at this point is ONLY to identify the problem that you intend to solve. You do NOT present a solution. You must present the problem in a compelling and engaging way that grabs the class' attention and makes them care about the problem and makes them want you to find them a solution (eventually). Once again, you are ONLY presenting the problem.

We will utilize the Document Camera in our classroom. With short time frames, Power Point slides are not efficient. Each team has **3 minutes** to present your compelling story to the class - what problem is your company going to solve?

Each team must have no more than five slides or documents. You will present as a team to the class. Do NOT worry about logos or products or company names yet. I simply want to know what pain you are going to focus on solving.

Each team member must post on Canvas under M3, a synopsis of your team's performance, including your TEAM #.

## Milestone 4: Target your First Customer

Use the tools and concepts highlighted in our text to identify and target your first customers. To focus your research, you **MUST** attempt to answer each of the following questions:

- What are the potential markets for the product or service?
- Of these potential markets, which customers are most likely to purchase the product or service at market introduction?
- How much do these customers typically buy, how do they buy, and how do they hear about the product or service?
- How often do they buy? What is their buying pattern?
- How can the new venture meet these customers' needs?

After answering these questions through your research, identify who your first customers will be and create a profile of those customers. Are they college-educated, technology savvy, unmarried millennials with disposable income? Are they small non-profits with 10-20 employees focused on the education sector? Your research will reveal this.

Develop a presentation to be delivered in class that summarizes your answers to the 5 questions. **You ONLY have 4 minutes to present your target customer to the class.** Include a Customer Matrix. Highlight your presentation with a picture of your first target customer. You can paint a picture with words or with images or any creative way you want to express this, but the class should be able to understand the target demographics of your first customer through the summary you provide.

Customer Profile information for your matrix should include:

- Age
- Income level
- Education
- Buying habits – when, where, how much
- Where customer finds products/services
- How customer would like to purchase

**Finally - Identify at least 3 potential competitors and list those in your presentation as well.**

The Document Camera will be available for pictures or demonstrations. Each member of your team will need to post the Customer Matrix to his or her Assignments page under M4.

## Milestone 5: Rapid Prototype – Design your Product/Service

With your team, deliver a prototype of your product. Quite simply tell us what your business is. Now that you've identified the pain in the market, what is your solution? Describe your product or service and tell us how you will deliver this product or service into the market place. You must provide some kind of a "mock-up" or prototype of your product to present to the class. You have **3 minutes** as a team to explain your product to us. Each team member should post a paragraph describing this process to Canvas under M5.

# Milestone 6: Create an Intellectual Property Plan for your Start-Up

This assignment requires you to complete the provided intellectual property table. It is posted to Canvas.

Cut & Paste the results of your "knockout" searches into a word document. Each team member should upload that document to Canvas Assignments under M6.

It is your job to provide the definitions and answer all of the questions posed in the table. Your IP strategy can make or break your business, so this is a very important part of your business consideration. At the very least, each of your companies will have at least one trademark, because as part of this assignment, you must NAME YOUR COMPANY. You may also give your product a different name.

You must conduct a trademark "knockout search" on all proposed trademarks (company name and product name) and you must verify if the domain name is available. You must then complete the rest of the IP table, based on your knowledge of your business and the 4 areas of Intellectual Property Protection.

Much of the information you need can be attained at the USPTO.GOV website (patents and trademarks) and the Library of Congress (copyrights). I prefer that you communicate your understanding of each element of the table in your own words, but if you do take the information directly from a source outside of the textbook, please provide a link or citation to your source.

**No presentation is required for this Milestone.**

# Milestone 7: Choose a Legal Form for your Business

**For this Assignment, Record your Answer to each one of the following questions and submit your responses to Canvas under M7. Each team member will need to post his or her own M7.**

- 1.Does the founding team have the necessary operational skills? List each team member and duties associated. Concentrate your answers to your own job duties.
- 2.Do the founders have the required start up capital?
- 3.Will the founders be able to run the business and cover the first year's living expenses?
- 4.Are the founders willing/able to assume personal liability for claims against the business?
- 5.Do the founders wish to have complete control over operations?
- 6.Do the founders expect initial losses?
- 7.Do the founders expect to sell the business some day?

Based on your answers to these questions, list what legal form you will use for your business (LLC, C-Corp, S-Corp, etc).

**Make sure to include the following information when stating your Choice of Entity:**

Name of your company will incorporate as a \_\_\_\_\_ with a \_\_\_\_\_ person board of directors in the state of \_\_\_\_\_. the company is incorporating in State of \_\_\_\_\_, it will be headquartered in \_\_\_\_\_ (note HQ and place of incorporation are often different)

State your reason for choosing the entity you chose. For example: "Forming a \_\_\_\_\_ entity enables \_\_\_\_\_(name of your business) to secure \_\_\_\_\_(type of funding) and \_\_\_\_\_ (type of liability protection).

**No presentation is required for this Milestone.**

# Milestone 8: Identify the Core Values of your Business

Deliver a presentation on the core values of your business.

**Team Culture** - list your team values, slogans, motto, philosophy - whatever you want to include that will communicate the culture that your team will embrace for your start-up enterprise or venture. It can be a list of your values, a motto like Google (Don't Be Evil), a mission statement, etc.

It can be bullet points or a mission statement or the like. We are looking for completion here. No value judgement on what you come up with. You just need to communicate what you've decided. Bring documents to use with the camera.

You have **3 minutes** as a team to explain your culture and also to highlight your company name and introduce your company logo, which you have not yet publicly shared with the class.

# Milestone 9: Develop a Plan

Tell your compelling story. Show us the numbers.

1) Draft a half-page summary of your plan that tells your compelling story and includes:

- Purpose of a marketing plan
- Benefits of the product/service
- The target market
- The market niche
- The marketing tactics
- The company's convictions and identity

2) Draft a half-page summary of your plan that explains your proposed financial plan.

- So you'll have to give an estimated sales projection based on your total estimated market
- How many customers do you reasonably guess that you have?
- What is your anticipated price per unit for your product?

The Business Information Center: <http://guides.lib.utexas.edu/subjects/guide.php?subject=brandmgmt> (Links to an external site.) I've included a link to a VERY HELPFUL research guide that the business librarian, April Kessler, created for a market research course. Information about advertising expenditures is available by both company and industry. Use these amazing database, it would cost you thousands of dollars to get access to these on your own.

3) Develop an advertising, publicity, and promotion strategy incorporating social media.

Pitch your plans to the class. State your compelling story, share your paragraph summary and outline your social media strategy. You have **3 minutes** to do this. Each team member should post a half-page synopsis to Canvas M9.

# Milestone 10: Create Some Cash Flows!!!!

This is the time where we will work on the Financials for your business. By now, our text is full of examples on how to best construct your company's cash flows. That includes the time horizon and estimating your discount rate, CAPM, WACC, etc. We will be ready for specifics on Milestone 10 long before it is due.

## Develop a Funding Plan for your Business

Be prepared to share your plan with your classmates in **under 3 minutes** during class.

1) Calculate how many personal resources you have to help fund a new venture. what are you as individual members of your team willing to risk and contribute?

- Will you forego salary? For how long?
- Will each of you contribute a certain amount at the beginning? How much?

2) Determine ways to bootstrap the startup of the new venture.

- What will your initial expenses be and how will you keep them low?

3) Network to come into contact with potential "angels."

- How will you find and meet angel investors for your business? What resources are available to you as UT students (list at least 3)?
- Name at least two known "angels" that you will target to ask for funding

4) Identify an attorney who can help structure any legal documents.

- Do **NOT** email any professors to ask for recommendations
- DO ask fellow entrepreneurs for recommendations
- Research law firms known for working with start-ups and pick the one you want to ask to represent you and list WHY you chose this particular firm

5) Investigate the sources of debt financing in the community.

- What granting agencies are open to you through UT, through local, state, and federal governments (list at least 1 of example from each source)

6) Determine if any of the non-dilutive sources of funding are appropriate for your business.

- Choose one that would be appropriate and list what that one will be

We have done all we can; it's now time to

## Pitch your Business to the "Sharks". We will decide what to call our event. It needs a Texas themed title.

See the last page for final instructions.

# Milestone Capstone - Pitch your Business

## Overall Expectations

- This is a FORMAL presentation of your business. You should ALL be dressed appropriately. I recommend business casual, but you can also choose to dress thematically in some way to represent your business.
- Your team pitch will be similar to the TV show: *Shark Tank*. You are PITCHING your company to a potential Angel Investor and you have **5 Minutes** to convince the Angel that he/she should give YOUR TEAM (COMPANY) money to forward your business.
- The panel of Angel Investors will be comprised of entrepreneurs in the Austin area.

## Presentation = No more than 5 Minutes = PITCH to Angel Investor requesting \$MONEY\$

- Pick your BEST COMMUNICATORS to pitch your business. You can have everyone on your team speak or you can just have 1, 2 or 3 do it. Remember that this is a pitch to real “investors” who will be evaluating everything about your business and deciding whether or not to invest based on what you present.
- No more than **5 Minutes** (there will be HARD STOP)
- You can be very creative for this part – videos/skits/commercials/props/mime are all allowed and there is no limit to your creativity other than what you MUST communicate within 5 minutes
- Your Pitch must address these broad questions and it MUST contain **these 6 slides**: (yes, we will use PP)
  1. What pain are you solving in the market? What is your product?
  2. Who is your target market (i.e. who are your potential customers)? How big is your potential market?
  3. Who are your competitors?
  4. How will you brand yourself in the market place (i.e. what is your Unique Value Proposition)? How will you differentiate yourself from the competition?
  5. How will you make a profit (i.e. how will you earn your revenue)? What are your cash flows?
  6. How much MONEY are you asking for and why? Remember, you are requesting seed money from an Angel. Do not expect this to be a “fun” experience. It will be rewarding and you will be proud of your hard work.

You may have additional slides that you find necessary, but remember you have a HARD STOP at 5 minutes. Make sure you lead with the 6 required slides and then you can add others as you deem appropriate.

**Your final part of this project will be to critique two other Pitches; more on this last requirement will be available as time nears the semester end.**