

**Course Information**

<i>Course Number/Section</i>	FIN 6315 001 / ENTP 6315 001
<i>Course Title</i>	Entrepreneurial Finance
<i>Term</i>	Fall 2010
<i>Days &amp; Times</i>	Wednesdays, 4:00pm – 6:45pm
<i>Location</i>	SOM 2.902

**Professor Contact Information**

<i>Professor</i>	David J. Springate, Ph.D. Finance Professor and Director, Center for Finance Strategy Innovation
<i>Office Phone</i>	972-883-2647
<i>Email Address</i>	<a href="mailto:spring8@utdallas.edu">spring8@utdallas.edu</a>
<i>Office Location</i>	SOM 2.610
<i>Office Hours</i>	By appointment

**Co-Instructor Contact Information**

<i>Co-Instructor</i>	Elizabeth Jones, MBA, Visiting Professor and Associate Director, Center for Finance Strategy Innovation
<i>Office Phone</i>	972-883-5909
<i>Email Address</i>	<a href="mailto:elizabeth.jones@utdallas.edu">elizabeth.jones@utdallas.edu</a>
<i>Office Location</i>	SOM 2.709
<i>Office Hours</i>	By appointment

**Administrative Contact Information**

<i>Administrative Assistant</i>	Debbie Davis (Copy me on all emails to the professors.)
<i>Office Phone</i>	972-883-5941
<i>Email Address</i>	<a href="mailto:debbie.davis@utdallas.edu">debbie.davis@utdallas.edu</a>
<i>Office Location</i>	SOM 2.415
<i>Office Hours</i>	10:00am – 7:00pm

**Course Description**

There are several distinguishing features of this course:

- We will stress the recognition and creation of value as a fundamental theme.
- We will emphasize relevant theory.
- We will stress use of cases in class.
- We will bias our presentations and course coverage toward current entrepreneurial finance practices and patterns in the Dallas-Fort Worth area.
- We will include coverage of venture capital financing and hi-tech start-ups.
- We will bring in visitors from the regional financial and entrepreneurial community as speakers. This will add considerably to the coverage of various topics. It will also bring in more and different points of view.
- We will include coverage of domestic and international entrepreneurial finance.

**Center for Finance Strategy Innovation**

This course is one of a series offered through the Center for Finance Strategy Innovation. The Center was founded in 2008 to focus on education and research programs in areas crucial to today's economy. Working with businesses, the center addresses corporate transformations, restructurings, turnarounds, and leveraged buyouts, as well as funding for innovation, project finance, and growth capital. It also has active programs centered on public-private partnerships.

**Student Learning Objectives/Outcomes**

The objectives of the course are to build your skills, frameworks and knowledge in entrepreneurial finance. The skills and frameworks are similar to those employed in traditional corporate finance, but are, of necessity, more focused on cash flow, returns and recognizable value. The context of entrepreneurial finance is different than that of traditional corporate finance. Most companies are at a relatively early stage of maturity and, by definition, are not publicly listed on exchanges. Entrepreneurial Finance is of growing importance every year, both domestically and internationally. The specific course aims are to improve your capacity to:

- Recognize an opportunity worthy of financing.
- Value an opportunity.
- Understand the difference between the funder's perspectives and those of the company being financed.

- Appreciate the difference between venture capital, private equity, early stage and growth financing sources.
- Use different financing techniques.
- Understand the importance of options
- Use strategic partnering
- Operate internationally

Although we will include some coverage of private equity topics, specifically venture capital management issues, the coverage of private equity will not be complete in any meaningful way. More complete coverage of these topics is given in the Private Equity Finance course.

### Conduct of the Course

We will move from some of the less complicated aspects of decisions involving growth to more complicated issues and those involving financing choices and exits. Toward the end of the course, we will consider high technology start-ups where considerations of investment financing and exits often arise simultaneously.

We will explore the topics above through class discussions of real case situations faced by entrepreneurs and financiers, contributions by outside experts and instructor-led discussion. Approximate equal time will be given in the course to concepts and frameworks, case discussion, and visitor presentations.

We will invite selected speakers to some classes. You will be provided with clarifying details as the course evolves. Due to scheduling constraints of potential speakers, we need the flexibility this affords. We do expect to have a cross-section of professionals including entrepreneurs, valuation experts, financial officers, early stage investors, buy-out firms, later stage investors, C-level officers, and corporate fund managers.

Some students may have interest and qualify for participation in selected field projects supervised by course faculty. Such opportunities will require high quality deliverables for outside sponsors and, accordingly, will be offered on a selective basis. More details on specific opportunities and on academic credit structure will be announced as the course progresses.

[www.eLearning@utdallas.edu](http://www.eLearning@utdallas.edu) is where the professors will post assignments, where you can send emails to the professors and to other classmates, where general class discussions or questions may be posted, where you should introduce yourselves to the other classmates. E-learning will have private group chat and discussion areas set up once the study groups have been established.

### Required Textbooks and Materials

We will use a textbook and a package of 16 business school notes and cases. Both are normally available in the campus bookstores and the off-campus bookstores. You will need them to proceed in the course. The textbook for reading and reference is **Entrepreneurial Finance: Finance and Business Strategies for the Serious Entrepreneur, 2<sup>nd</sup> edition by Steven Rogers.**

#### List of Cases and Notes:

	CASE No.	CASE TITLE
1	810005-PDF-ENG	1366 Technologies
2	898162-PDF-ENG	Beta Golf
3	908M20-PDF-ENG	Cenabal (A)
4	808006-PDF-ENG	D2Hawkeye: Growing the Medical IT Enterprise
5	803063-PDF-ENG	Dr. John's Products Ltd.
6	E214-PDF-ENG	EndoNav
7	4021-PDF-ENG	Expansion and Risk at Hansson Private Label, Inc.: Evaluating Investment in the Goliath Facility
8	4179-PDF-ENG	Jones Electrical Distribution
9	809031-PDF-ENG	Nantero
10	201037-PDF-ENG	NetFlix.com, Inc.
11	810045-PDF-ENG	NovoCure Ltd.
12	396067-PDF-ENG	Pathfinder Capital
13	810105-PDF-ENG	Re-THINK-ing THINK: The Electric Car Company
14	909M10-PDF-ENG	RSSWorks Inc. - An Early Stage Investment
15	804112-PDF-ENG	Shurgard Self-Storage: Expansion to Europe
16	806118-PDF-ENG	Vivaldi Food Concepts--The Start-Up of an Asian Venture (A)

Assignment Page and Calendar for ENTREPRENEURIAL FINANCE – FALL 2010 – Dr. David Springate and Elizabeth Jones						
Week	Date	Course Section	Topics	Case*	Associated Readings	Visitor
1	8/25	Investment Strategies Dealing With Growth	• Scale of Investment	• Beta Golf		
2	9/1		• Rate of Expansion	• Jones Electrical Distribution		
3	9/8			• NetFlix.com, Inc.		
4	9/15		• Risk Analysis	• Expansion and Risk at Hansson Private Label, Inc.: Evaluating Investment in the Goliath Facility		
5	9/22		• Staged Investment	• Pathfinder Capital		
6	9/29	Financing Strategies	• Start-ups and High Net Worth Individuals	• Cenebal (A)		
7	10/6			• EndoNav		
8	10/13		• Expansion and Financial Institutions	• Shurgard Self-Storage: Expansion to Europe		
9	10/20	Exit Strategies	• IPO's • Industry Sale	• Dr. John's Products Ltd.		
10	10/27			• D2Hawkeye: Growing the Medical IT Enterprise		
11	11/3	The Special Case of High Technology Startups	• Issues of Value and Market Size	• RSSWorks Inc. - An Early Stage Investment		
12	11/10		• Choice of Business Model to Pursue	• Nantero		
13	11/17			• 1366 Technologies		
14	11/24		• Funding Crisis	• NovoCure Ltd.		
15	12/1	Valuing Intellectual Property	•	• Negotiating Exercise		
12/15		Final Exam				
1. First Written Assignment - assigned on 9/8 – due on 9/22: “Vivaldi Food Concepts”						
2. Second Written Assignment - assigned on 11/3– due on 11/17: “Re-THINK-ing THINK: The Electric Car Company”						
<b><i>*These descriptions and timelines are subject to change at the discretion of the Professor.</i></b>						

## Grading Policy

### Deliverables

You will be judged on your class discussion of topics and cases and on your questions for visitors. Other deliverables include individual written analysis of two cases and a final exam. Under some circumstances a paper may be substituted for the second written case analysis. See instructors.

### Evaluation and Grades

Class discussion: frequency and content	40%
Two Individual written case analyses	40%
Final Examination	20%
	<hr/> 100%

### Grading Criteria

A	A-	B+	B	B-	C+	C	P	F	I
4.0	3.67	3.33	3.00	2.67	2.33	2.00	Pass	Fail	Incomplete

## Course Policies

### Make-up exams

These are possible only in exceptional circumstances. Seek the instructor's approval in advance.

### Late Work

All work should be submitted even if late. Penalties may apply.

### Class Attendance

Grades depend, in part, on attendance. You are expected to be in class.

### Classroom Citizenship

Participation calls for due respect of classmates and the instructors. Do not embarrass yourself. Come prepared to class with required readings and case preparation completed.

## Student Conduct & Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

## Academic Integrity

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

### **Email Use**

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

### **Withdrawal from Class**

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, instructors cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

### **Student Grievance Procedures**

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

### **Incomplete Grade Policy**

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of F.

### **Disability Services**

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:

The University of Texas at Dallas, SU 22

PO Box 830688

Richardson, Texas 75083-0688

(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

### **Religious Holy Days**

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

### **Off-Campus Instruction and Course Activities**

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address given below. Additional information is available from the office of the school dean.

[www.utdallas.edu/businessaffairs/risk/](http://www.utdallas.edu/businessaffairs/risk/)