

WHAT DO VENTURE CAPITALISTS REALLY DO? COURSE PROGRAMME

Day One

Introduction

What is Venture Capital?

- Terminology and jargon
- The difference between venture capital and private equity
- Two basic ways to finance a business: equity and debt
- A brief history of VC in the UK
- What are the key features of a VC transaction?
- Reviewing types of deals: seed, start-up, development capital, MBO, MBI, etc.
- Case Study: Identifying types of deals

Types of Funds and Returns

- Types of venture capital and private equity funds
- Fee structures
- Advantages and disadvantages for entrepreneurs
- Returns

Lunch

The Investment Process

- Suitability and preparation for investment and life cycle of a deal
- *Case study: Factors affecting the investment decision*
- Exit routes
- Case Studies
- Other players and their roles
- How is value created?

What You Need to Know About Company Accounts

- The purpose and contents of accounts
- Video: The Balance Sheet Barrier
- The principal accounting statements and some key definitions
- Case Study

Day Two

Session 2 Valuing a Company for Investment

- Valuation using earnings, EBIT and EBITDA multiples
- It's all about Exit and IRR
- Case study

Financing and Deal Structure

- Typical financing menu
- Different types of debt: Senior, Mezzanine, High yield bonds
- How financing influences returns
- Case Study: Characteristics of Private Equity vs. Debt
- Due diligence and documentation
- Protection mechanisms for the venture capitalist

Lunch

Buyouts

- Reasons for Buyouts and the Buyout process
- The basics of deal structure and how a venture capitalist makes money
- Case Study: Good or Bad Buyouts?

Public to Private Transactions

- Key differences from a normal buyout

Start-ups and Development Capital

- Differences in risks and structure
- Multi-stage financing and cumulative dilution of equity stake & example

Monitoring and Success Factors

- Portfolio management
- Monitoring of the investment
- Reasons for failure

Quiz

Summary and Conclusions