Entrepreneurial Finance  
B40.3361  

Preliminary Course Outline  
Fall 2007  
T/Th 10:30-11:50 am  
Room KMEC 2-60  

Professor Roy C. Smith  

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject and Readings</th>
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| 9/4  | Introduction and Course Orientation  
(a) Case (read in class): Billpay.Com |
| 9/6  | Entrepreneurial Finance: a Framework  
(a) Reading: “The Entrepreneurs” from The Wealth Creators  
(b) Reading HBS Note on the Venture Capital Industry |
| 9/11 | Economics of Opportunity (I):  
(a) Case: US Cybersites  
(b) Reading: Harvard/MIT Note on Angel Investing  
(c) Prepare and hand in Problem #1 |
| 9/13 | NO CLASSES |
| 9/18 | Economics of Opportunity (III):  
(a) HBS Case: Vermeer Technologies |
| 9/20 | Venture Capital Investing (I):  
(a) Case: Pennell Venture Partners LP  
(b) Prepare and hand in Problem #2 |
| 9/25 | Economics of Opportunity (IV):  
(a) Case: PCR |
| 9/27 | Venture Capital Valuation:  
(a) Reading: Aswath Damodaran, The Dark Side of Valuation, valuing companies with no profits or history. |
| 10/2 | Venture Capital Valuation  
(a) HBS Case: Hotmail  
(b) Prepare and hand in Problem #3 |
| 10/4 | Terms and Conditions in VC Investing |
10/9 Venture Capital Investing (II):
(a) Case: Lazard Technology Partners, LP
(b) Prepare and hand in Problem #4

10/11 Economics of Opportunity (V)
(a) HBS Case: Valhalla Partners Due Diligence

10/16 Intellectual Property Valuations
(a) HBS Case: Aberlyn Capital
(b) Prepare and hand in Problem #5

10/18 Corporate Partners in Venture Capital
(a) HBS Case: Parenting Magazine
(b) Prepare and hand in Problem #6

10/23 Midterm Exam

10/25 Using Leverage Entrepreneurially
(a) Understanding leverage and restructuring
(b) Reading: Chapter 6 in Money Wars

10/30 Overview of the Private Equity Business
(a) Reading: HBS Note on the Private Equity Fundraising Process
(b) HBS Case: OM Scott

11/1 LBOs (I)
(a) HBS Case: Pacific Salmon Company, Inc.

11/6 LBOs (II):
(a) Case: Burger King
(b) Prepare and hand in Problem #7

11/8 Workouts and Vulture Finance
(a) Reading: Bankruptcy: A Debtor’s Perspective

11/13 Investing in Distressed Securities:
(a) Case: Regal Cinema
(b) Guest: Fred Eckert, founder and CEO, GSC Partners
(c) Prepare and hand in Problem #8

11/15 Mezzanine Finance 2007
(a) Guest lecture – Mezzanine Finance practitioner Mezzanine Finance

11/20   NO CLASSES

11/27   Exits: Going Public (I)
(a) Reading: *HBS Note on the Initial Offering Process*

11/29   Exits: Going Public (II)
(a) HBS Case: *ImmuLogic Pharmaceutical Corp.*
(b) Prepare and hand in Problem #9

12/4    Exits: M&A (I)
(a) Case: *Nantucket Nectars*

12/6    Exits: M&A (II)
(a) HBS Case: *RightNow Technologies*
(b) Prepare and hand in Problem #10

12/11   Exits: Going Private
(a) Case: *Oriflame International*

12/--   Final Examination