

## **Module 1: The Venture Capital Landscape**

**Overview:** Module 1 provides a thorough introduction to the venture capital (VC) industry, tracing its evolution from its origins to the modern ecosystem. Participants will explore key historical events, including the tech boom and dot-com bubble, and understand how these shaped today's VC landscape. The module also covers the startup life cycle, emphasizing the stages where VCs typically engage.

### **Key Topics Covered:**

#### **1. Historical Perspective:**

- Exploring the origins of venture capital, from early investments to the development of high-risk, high-reward strategies that laid the foundation for the industry.

#### **2. Tech Boom and Dot-Com Bubble:**

- Analysing the rise and fall of the tech industry in the late 1990s and early 2000s, understanding its impact on venture capital practices and risk management.

#### **3. The Birth of the Modern VC Ecosystem:**

- Discovering the evolution of the current VC ecosystem, including the growth of institutional funds, the rise of Silicon Valley, and the focus on disruptive technologies.

#### **4. Start-up Life Cycle Overview:**

- Gaining insights into the stages of a startup's life cycle, from seed funding to exit, and learn how VCs provide capital and strategic support at each stage.

## **Module 2: Identifying Investment Opportunities**

**Overview:** This module focuses on the essential skills and strategies required for VC analysts to effectively identify and assess potential investment opportunities in the fast-paced world of venture capital. This module will guide participants through the key aspects of the VC analyst's role, from deal sourcing and market trend analysis to evaluating founders, pitch decks, and identifying red flags during due diligence. Additionally, it will explore how analysts can position themselves to capitalize on the right deals, blending preparation with an element of "luck."

### **Key Topics Covered:**

#### **1. Role of a VC Analyst:**

- Understanding the core responsibilities and contributions of an analyst within a venture capital firm, including key skills and day-to-day tasks.

#### **2. Deal-Sourcing Strategies in the Venture Capital Landscape:**

- Exploring various methods and channels for sourcing deals, including networking, utilizing technology platforms, and building a strong deal flow pipeline.

#### **3. Strategies to Identify Market Trends and Hot Sectors:**

- Techniques for staying ahead of market trends and identifying promising sectors for investment through thorough market research and analysis.

#### **4. Strategies to Evaluate Founder-Market Fit:**

- Assessing whether a founding team is well-suited to execute their business plan within the chosen market, focusing on experience, vision, and leadership qualities.

#### **5. Strategies to Evaluate Pitch Decks:**

- How to critically analyse pitch decks, evaluate business plans, and identify potential risks and red flags in financial projections and market analysis.

#### **6. Spotting Red Flags During Exploratory Due Diligence:**

- Identifying common risks and red flags during due diligence, including financial, legal, market, and team-related issues.

#### **7. How to Get 'Lucky' with the Right Deals?:**

- Understanding the role of preparation and strategic positioning in consistently securing promising deals, with a focus on developing intuition and leveraging serendipity.

### **Module 3: Financial Analysis of Early-Stage Startups & Valuations**

**Overview:** This module delves into the financial intricacies of evaluating early-stage startups, equipping participants with the knowledge and tools to conduct thorough financial analyses and valuation assessments. This module will cover the key financial metrics and methodologies used by venture capitalists, the challenges of market sizing, and the complexities of valuing startups at the early stages. Participants will also learn to identify and account for the various risks and challenges associated with these valuations, ensuring a balanced approach to investment decision-making.

#### **Key Topics Covered:**

##### **1. Overview of Financial Metrics and Key Analysis:**

- Introduction to the critical financial metrics that VCs rely on for evaluating early-stage startups, including revenue growth, burn rate, runway, unit economics etc.

##### **2. Sizing the Market:**

- Techniques for accurately estimating the market size for early-stage startups, understanding total addressable market (TAM), serviceable addressable market (SAM), and serviceable obtainable market (SOM).

##### **3. Understanding Valuation Analysis for Early-Stage Startups:**

- A comprehensive look at various valuation methodologies suitable for early-stage startups, such as the venture capital method, discounted cash flow (DCF), scorecard method and comparables analysis.

##### **4. Risk Factors and Challenges in Valuing Early-Stage Startups:**

- Exploring the inherent risks and challenges in valuing startups, including dealing with limited financial data, high uncertainty, and market volatility, along with strategies to mitigate these risks.

## **Module 4: Role of Investment Committee**

**Overview:** This module provides participants with an in-depth understanding of the pivotal role that the Investment Committee (IC) plays in the venture capital decision-making process. This module explores the structure, functions, and dynamics of the IC, from the preparation of investment memos to the factors and frameworks considered during voting. Participants will gain insight into the critical elements that influence IC decisions, including various fits (founder-market, product-market, etc.), and the mental models used by IC members. The module concludes with practical exercises on how an IC operates, ensuring participants are well-prepared to engage with or even serve on an IC.

### **Key Topics Covered:**

1. **Investment Memos (IM):**
  - Understanding the structure, purpose, and key components of an investment memo, and how it serves as the foundation for IC discussions and decisions.
2. **What is an Investment Committee & Who Comprises It?:**
  - Overview of the Investment Committee's role within a venture capital firm, including its composition, responsibilities, and how it fits into the overall investment process.
3. **Overview of Factors Considered by IC Before Voting:**
  - Detailed examination of the critical factors IC members evaluate before making investment decisions.
4. **Mental Models & Frameworks Used by IC Members:**
  - Exploring the mental models, decision-making frameworks, and analytical tools that IC members utilize to assess and compare investment opportunities.
5. **Concluding an IC:**
  - Understanding the process of wrapping up an IC meeting, including how final decisions are reached, documented, and communicated. This includes practical insights into how dissenting opinions are managed and the final vote is conducted

## **Module 5: Deal Structure, Terms, and Negotiation**

**Overview:** This module is designed to equip participants with the knowledge and skills needed to navigate the complex process of structuring deals, understanding term sheets, and negotiating terms in venture capital agreements. This module covers the essential elements of deal structuring, the components of venture term sheets, and the critical terms that influence the dynamics between investors and startups. Additionally, participants will learn effective negotiation strategies to secure favourable terms while balancing the interests of both parties. Practical negotiation exercises will reinforce the concepts learned, preparing participants to handle real-world deal-making scenarios.

### **Key Topics Covered:**

1. **Structuring Deals:**
  - Learning the basics of VC deal structuring, including investment stages, financing types, equity allocation, and exit strategies.
2. **Understanding Venture Term Sheets:**
  - Understanding the purpose and structure of term sheets, focusing on key terms and how they guide legal agreements.
3. **Important Terms in a VC Term Sheet:**
  - Dive into critical term sheet terms like valuation, equity, liquidation preferences, anti-dilution provisions, and board composition.
4. **Negotiating Term Sheet Terms:**
  - Develop strategies to negotiate VC terms effectively, focusing on achieving balanced outcomes and maintaining strong relationships.

## **Module 6: Fund Structure & Inner Workings**

**Overview:** This module provides a concise understanding of the structure and operations of venture capital (VC) funds. Participants will learn how funds are built, managed, and monetized, including the key elements that drive fund performance and career opportunities within the industry. Practical exercises will reinforce these concepts, preparing participants for roles in VC fund management.

### **Key Topics Covered:**

- 1. Building a Fund Thesis:**
  - Learn how to develop a fund's investment strategy, including target sectors and stages, guiding the fund's investment decisions.
- 2. Types of Venture Funds:**
  - Overview of different VC fund types (seed, early-stage, growth, sector-specific) and their unique strategies and risk profiles.
- 3. How is a VC Fund Structured?**
  - Explore the organizational structure of VC funds, including the roles of general partners (GPs) and limited partners (LPs), and the fund lifecycle.
- 4. Economics of a Fund:**
  - Understand the financial mechanics of a VC fund, including management fees, carried interest, and how returns are generated and distributed.
- 5. Exit Strategy and its Importance:**
  - Learn the importance of exit strategies (IPO, acquisition) in maximizing returns and aligning with the fund's overall thesis.
- 6. Venture Capital as a Career Path:**
  - Explore career opportunities in venture capital, required skills, and how to build a successful career in the industry.