



# VC UNIVERSITY

## Syllabus

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## Course Description

The VC University course provides an overview of venture finance through lectures, interviews with leading venture capitalists, and interactive assessments. Participants will learn the nuts and bolts of venture finance and earn a certificate of completion from Berkeley Law, the National Venture Capital Association (NVCA), and Venture Forward. The course examines the economics of U.S. venture capital (“VC”) finance with a focus on developing financial models on how various provisions affect investor and founder valuation and cash flows. For example, students will learn how VC contract provisions are designed to protect investors from economic and voting dilution.

## Learning Outcomes

This class is designed to provide an introduction to venture finance as it is used in practice. The course focuses on the application of the terms and processes and the economics of what is included and considered in a standard VC “term sheet.” The course aims to provide its students with a core set of practical skills that every venture capitalist, investor, and entrepreneur should master.

## Format of Class

This class combines lectures, exercises, and in-person discussions – delivered online. This class is largely asynchronous, which means that you are not required to participate at the same time and place as other students in the class. You choose what time of day you are “in class.” We recommend setting a daily “class/study time” that fits your schedule and to adhere to it during the course, setting aside roughly 3-4 hours each week.

## Instructor Office Hours and Communication

During the recommended ten-week schedule of the course, we have scheduled weekly office hours with instructors to provide opportunities for “live” discussion with them and your classmates that occur at scheduled times. Most of the office hours will be held on Tuesdays at 10:00 AM Pacific Time (some will be at 3:00 PM Pacific Time), via Zoom. Exact dates and the Zoom link will be provided on the course platform and are subject to change.

The office hours are designed to be similar to the experience you would have if you were a student on campus. They will not be recorded. You can attend and ask questions you may have about the course, the materials, or the lectures; however, to be respectful of our instructors’ time, we will send a weekly reminder of office hours.

## Graded Quizzes

Each module ends with a graded quiz and these quizzes may be taken multiple times; however, please note that **your final grade will be an average of all of your attempts**. Read the questions carefully and please submit your answers with care. A typo will be counted against you. If you have any questions regarding a quiz, submit a comment directly in Canvas by navigating to your Grades tab, click on the quiz on which you wish to leave a comment, and type the comment in the "Add a Comment" field that appears on the right side of the screen.

## Certificate Eligibility

The program is designed to be completed in approximately ten weeks but **you will have access to the platform for five months to complete all of the requirements**. The modules must be done in order (i.e. completing one module will "unlock" the next). In addition to watching all the sessions (lectures, interviews, and labs), **a student must achieve a combined total average of 75% or higher on the graded quizzes**. If you have questions or concerns regarding a quiz, please submit a comment on the quiz page in question. Once you have finished the course, you must complete the post-program survey in order to receive your certificate. Certificates will be awarded on a rolling weekly basis beginning two months into the program.

# Venture Capital University Course Plan Overview

## Weeks One and Two: Venture Fund Fundamentals

Office hours: Adam Sterling, Assistant Dean, Executive Education, Berkeley Law  
Scott James, General Counsel, Goodwater Capital

1.0	<p><b>Module Overview and Suggested Reading</b></p> <p>This module provides an overview of how venture funds are formed, structured, and managed. The investor perspective conversations explore strategies around raising a venture fund and developing and deploying an investment thesis.</p> <p><i>Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist; Fourth Edition:</i> Chapter 1("The Players") and Chapter 12("How Venture Capital Funds Work")</p> <p><i>Secrets of Sand Hill Road:</i> Chapter 3("How Do Early-Stage VCs Decide Where to Invest"), Chapter 4("What are LPs and Why Should You Care?"), and Chapter 5("The 'Limited' Edition: How LPs Team Up with VCs")</p>
1.1.1 – 1.1.7	<p><b>Lectures: What is a Venture Fund?</b></p> <p>Scott James (General Counsel, Goodwater Capital) helps answer the deceptively simple question: What is a venture fund? In these lectures, we explore the basics of venture fund structuring and management, including some key implications for entrepreneurs seeking venture investment and investors working at, or hoping to start, a fund.</p> <p>1.1.1 – The Fund 1.1.2 – Limited Partners 1.1.3 – The General Partner 1.1.4 – The Management Company 1.1.5 – Introduction to VC Fund Economics 1.1.6 – Management Fee 1.1.7 – Carried Interest</p>
1.2	<p><b>Investor Perspective: VC Basics with Scott Kupor</b></p> <p>Scott Kupor (Managing Partner, Andreessen Horowitz) provides insight in fund structure, when to raise a fund, and the relationship with LPs.</p>

1.3.1	<p><b>Investor Perspective: When to Raise a Fund with Precursor Ventures</b></p> <p>Charles Hudson (Founder and Managing Partner of Precursor Ventures) discusses his fund, fundraising experience, and when to think about raising your own fund.</p>
1.3.2	<p><b>Investor Perspective: When to Raise a Fund with Next Frontier Capital</b></p> <p>Will Price (Founder and General Partner, Next Frontier Capital) discusses his fund, fundraising experience, and when to think about raising your own fund.</p>
1.3.3	<p><b>Investor Perspective: When to Raise a Fund with Renegade Partners</b></p> <p>Renata Quintini (Co-Founder and Managing Director, Renegade Partners) discusses her fund, fundraising experience, and when to think about raising your own fund.</p>
1.4.1	<p><b>Investor Perspective: Developing and Deploying an Investment Thesis with Arboretum Ventures</b></p> <p>Jan Garfinkle (Founder and Managing Partner, Arboretum Ventures) shares details on her firm's investment thesis, how it was developed, how entrepreneurs should think about an investor's investment thesis, and how her firm's investment thesis shapes the strategy for sourcing and closing deals.</p>
1.4.2	<p><b>Investor Perspective: Developing and Deploying an Investment Thesis with Obvious Ventures</b></p> <p>James Joaquin (Co-Founder, Obvious Ventures) shares details on his firm's investment thesis, how it was developed, how entrepreneurs should think about an investor's investment thesis, and how his firm's investment thesis shapes the strategy for sourcing and closing deals.</p>
1.4.3	<p><b>Investor Perspective: Developing and Deploying an Investment Thesis with Emergence Capital</b></p> <p>Joseph Floyd and Santi Subotovsky (General Partners, Emergence Capital) share details on their firm's investment thesis, how it was developed, how</p>

	entrepreneurs should think about an investor’s investment thesis, and how the firm’s investment thesis shapes the strategy for sourcing and closing deals.
1.4.4	<b>Investment Thesis Overview</b> Some key takeaways to consider when coming up with or refining your own investment thesis.
1.5	<b>Quiz: What is a Venture Fund?</b>

## Weeks Three and Four: Startup Fundamentals

Office hours: Stephanie Lane, Attorney, Gunderson Dettmer LLP  
Omar Alam, Salesforce Ventures

2.0	<b>Module Overview and Suggested Readings</b> This module provides an overview of how venture-backed startups are formed and structured. The investor perspective conversations explore how investors diligence startups when investing.  <i>Venture Deals</i>   Chapter 19 ("Legal Things Every Entrepreneur Should Know")  <i>Secrets of Sand Hill Road</i>   Chapter 6 ("Forming Your Startup")
2.1.1- 2.2.5	<b>Lectures: Startup Fundamentals</b> Adam Sterling (Assistant Dean, Berkeley Law) breaks down the legal, financial, and operational issues that venture-backed startups and their founders face. Topics include entity formation, issuing founder equity, raising money from investors, and securities laws.  Deborah Kang (Senior Corporate Counsel, Snowflake) explores the basic intellectual property (IP) issues that venture-backed startups and their investors face.  2.1.1 – Entity Formation 2.1.2 – Founders Equity 2.1.3 – Raising Money from Investors

	<p>2.1.4 – Securities Law</p> <p>2.2.1 – IP and Venture Deals</p> <p>2.2.2 – What is IP?</p> <p>2.2.3 – Open Source</p> <p>2.2.4 – Ownership Issues &amp; Owner Common Pitfalls</p> <p>2.2.5 – Creating an IP Strategy</p>
2.3.1	<p><b>Investor Perspective: Startup Diligence</b></p> <p>Kate Mitchell (Co-Founder and Partner, Scale Venture Partners) discusses how investors (whether they're a lead investor or not) conduct diligence for seed/convertible financings, Series A financings, and beyond, as well as how startups can prepare for the diligence process.</p>
2.3.2	<p><b>Life Sciences Investor Perspective: Startup Diligence</b></p> <p>Vikram Bajaj, Ph.D. (Managing Director, Foresite Capital) and Cindy Xiong, Ph.D. (Senior Investment Analyst, Foresite Capital) discuss how investors (whether they're a lead investor or not) conduct diligence for seed/convertible financings, Series A financings, and beyond, as well as how startups can prepare for the diligence process.</p> <p><i>Note: This video is only a requirement for our Life Sciences Scholarship (LSS) recipients</i></p>
2.4	<p><b>Quiz: Startup Fundamentals</b></p>

## Weeks Five and Six: Venture Deal Fundamentals

Office hours: Nadia Dugal, Co-Founder, Tome

The team at Johnson & Johnson Innovation | JJDC

3.0	<p><b>Module Overview and Suggested Readings</b></p> <p>This module provides an overview of how venture financing deals are structured. The investor perspective conversations explore strategies around venture deal sourcing and structures.</p> <p><i>Venture Deals</i>   Chapter 3 ("How to Raise Money"), Chapter 4 ("Overview of the Term Sheet"), Chapter 5 ("Economic Terms of the Term Sheet"), Chapter 6 ("Control Terms of the Term Sheet")</p>
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	<p>Sheet"), Chapter 7 ("Other Terms of the Term Sheet"), Chapter 8 ("Convertible Debt"), and Chapter 9 ("The Capitalization Table")</p> <p><i>Secrets of Sand Hill Road</i>   Chapter 9 ("The Alphabet Soup of Term Sheets: Part One"), Chapter 10 ("The Alphabet Soup of Term Sheets: Part Two"), and Chapter 11 ("The Deal Dilemma: Which Deal Is Better?")</p>
3.1.1-3.1.7	<p><b>Lectures: Venture Deal Fundamentals</b></p> <p>Nadia Dugal (Co-Founder, Tome) provides a general overview of the standard structures in venture capital financings, as well as an overview of the history of these structures and how they became commonplace. Nadia also provides an overview of key legal terms, including what she views as market standard.</p> <p>3.1.1 – Structures  3.1.2 – Convertible Debt  3.1.3 – Equity  3.1.4 – Liquidation Preference  3.1.5 – Employee Equity  3.1.6 – Anti-Dilution Protection; Corporate Governance; Board Structure  3.1.7 – Protective Provisions and Other Terms</p>
3.2.1	<p><b>Investor Perspective: Deal Source Strategy</b></p> <p>Amit Kumar (Partner, Accel) and Maha Ibrahim (General Partner, Canaan) discuss how to develop a deal funnel, attract/find the best deals, and advice for developing a deal sourcing strategy.</p>
3.2.2	<p><b>Investor Perspective: Deal Source Strategy</b></p> <p>Aziz Gilani (Managing Director, Mercury Fund) discusses how to develop a deal funnel, attract/find the best deals, and advice for developing a deal sourcing strategy.</p>
3.2.3	<p><b>Life Sciences Investor Perspective: Deal Source Strategy</b></p> <p>Otello Stampacchia (Founder, Omega Funds) discusses how to develop a deal funnel, attract/find the best deals, and advice for developing a deal sourcing strategy, from a life sciences investor's perspective.</p> <p><i>Note: This video is only a requirement for our Life Sciences Scholarship (LSS) recipients</i></p>

3.3.1	<p><b>Investor Perspective: Seed/Convertible Financings</b></p> <p>Jeff Clavier (Founder and Managing Partner, Uncork Capital) reviews how investors think about debt vs. equity vs. bridge financings, his sourcing strategy for seed/convertible financings, diligence strategy, and setting up companies for success with follow-on funding.</p>
3.3.2	<p><b>Investor Perspective: Priced Round Financings for Early Stage Investors</b></p> <p>Glenn Rieger (General Partner, NewSpring Capital) discusses deal sourcing strategies, diligence, and future fundraising efforts for priced round financings, from an early stage investor's perspective.</p>
3.3.3	<p><b>Investor Perspective: Priced Round Financings for Growth Stage Investors</b></p> <p>Patricia Nakache (General Partner, Trinity Ventures) discusses deal sourcing strategies, diligence, and future fundraising efforts for priced round financings, from the perspective of a later/growth stage investor's perspective.</p>
3.3.4	<p><b>Life Sciences Investor Perspective: Priced Round Financings</b></p> <p>Sarah Bhagat (Partner, Sofinnova Investments) discusses deal sourcing strategies, diligence, and future fundraising efforts for priced round financings, from a life sciences investor's perspective.</p> <p><i>Note: This video is only a requirement for our Life Sciences Scholarship (LSS) recipients</i></p>
3.4	<p><b>Investor Perspective: Impact VC Financing</b></p> <p>Joel Beck-Coon (General Counsel and Secretary, Humanity United) discusses impact VC financing and program-related investments to build sustainable enterprise ecosystems.</p>
3.5	<p><b>Investor Perspective: Venture Debt</b></p> <p>Jordan Rigberg (Vice President, Silicon Valley Bank) and Kate Walsh (Director, Silicon Valley Bank) discuss venture lending for growth-stage investor-backed companies.</p>

3.6	<b>Quiz: Venture Deal Fundamentals</b>
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## Weeks Seven and Eight: Modeling a Venture Capital Financing

Office hours: Dan Kidle, Managing Partner, Arboretum Ventures  
Rita Astoor | Carta

4.0	<p><b>Module Overview</b></p> <p>This module explores examples of different types of venture financing through the use of capitalization tables.</p>
4.1.1 - 4.1.6	<p><b>Lectures: Modeling a Venture Capital Financing</b></p> <p>Adam Sterling (Assistant Dean, Berkeley Law) explores examples of different types of venture financings and models those financings using capitalization tables.</p> <p>4.1.1 Recap 4.1.2 Priced Round (Series A) 4.1.3 Priced Round (Series A) with Converting Securities 4.1.4 Subsequent Financing Round (Series B) 4.1.5 Down-Round (Series B) 4.1.6 Simple Acquisition (M&amp;A)</p>
4.2	<p><b>Quiz: Modeling a Venture Capital Financing</b></p>
4.3	<p><b>OPTIONAL: Anti-dilution Protection</b></p> <p>Robert Bartlett (Professor, Berkeley Law) explores how anti-dilution provisions can cause a preferred stock financing to be “re-priced” in the future.</p>
4.4	<p><b>OPTIONAL: Advanced Cap Table Topics</b></p> <p>What happens when a company stumbles? In this session, Dan Kidle (Managing Partner, Arboretum Ventures) explores the ins and outs of a down round financing, including complex cap table mechanics. Topics covered include convertible bridge financing, mechanisms to incent</p>

	continued investment from insiders, and modeling a down round financing including anti-dilution protection in Excel.
4.5	<p><b>OPTIONAL: Exits</b></p> <p>You know how many shares you own, but what are they worth? In this session, Dan Kidle (Managing Partner, Arboretum Ventures) demonstrates how to extend a cap table model to include an exit analysis. Topics covered include modeling participating and non-participating preferred stock and comparing term sheet options using Excel.</p>
4.6	<p><b>OPTIONAL: Cap Table Exercise</b></p> <p>Students are asked to use capitalization tables for calculations. Both the blank and completed cap tables are provided for reference.</p>

## Weeks Nine and Ten: Advanced Topics in Venture Capital

Office hours: Robert Bartlett, Professor of Law, UC Berkeley  
Maryam Haque, Executive Director, Venture Forward

5.0	<p><b>Module Overview and Suggested Readings</b></p> <p>This module highlights advanced topics in venture capital. The investor perspective conversations explore corporate venture capital, investor governance, strategies for breaking into venture, inclusion, IPOs and M&amp;A, portfolio construction, and third-party providers.</p> <p><i>Secrets of Sand Hill Road</i>   Chapter 12 ("Board Members and the Good Housekeeping Seal of Approval"), Chapter 13 ("In Trados We Trust"), Chapter 14 ("Difficult Financings: When Bad Things Happen to Good People"), and Chapter 15 ("Exit Stage Left (The Good Kind)")</p>
5.1	<p><b>Valuation Lab</b></p> <p>Adam Sterling (Assistant Dean, Berkeley Law) leads an interactive session on startup capital valuations. Students are asked to complete an exercise, then a follow up lecture will be provided at a later date where Adam will share his framework for startup valuations.</p>

5.2.1 - 5.2.3	<p><b>Public Policies Impacting the Entrepreneurial Ecosystem</b></p> <p>From NVCA, Bobby Franklin (President and CEO); Charlotte Savercool (Director of Government Affairs); Jonas Murphy (Government Affairs Manager); Jeff Farrah (General Counsel); and Justin Field (Senior VP of Government Affairs), discuss the importance of public policies and their impact on venture investors and entrepreneurs and NVCA's role in advocating on behalf of the entrepreneurial ecosystem in Washington.</p>
5.3	<p><b>NVCA Model Financing Documents</b></p> <p>Adam Sterling is joined by Jeff Farrah (General Counsel, NVCA); Danielle Naftulin (Partner, Cooley); Jason Doren (General Counsel, ARCH Venture Partners); and Stephan Eberle (General Counsel &amp; Head of Limited Partner Relations, Scale Venture Partners), to discuss NVCA's Model Legal Documents.</p>
5.4.1	<p><b>OPTIONAL: Investor Perspective: Corporate Venture Capital with Salesforce Ventures</b></p> <p>John Somorjai (Executive VP of Corporate Development and Salesforce Ventures, Salesforce) discusses how corporate venture capital (CVC) differs from institutional VC investing, unique opportunities and challenges for CVCs, how CVCs develop their investment thesis and sourcing strategy, and the value CVCs can bring to startups.</p>
5.4.2	<p><b>OPTIONAL: Investor Perspective: Corporate Venture Capital with Johnson &amp; Johnson Innovation - JJDC, Inc.</b></p> <p>Kadir Kadhiresan, Marian Nakada, and Ashish Xavier, vice presidents of venture investments at Johnson &amp; Johnson Innovation - JJDC, Inc., discuss corporate venture capital and healthcare investing.</p>
5.5	<p><b>OPTIONAL: Investor Perspective: Investor Governance</b></p> <p>Legendary venture capitalist Josh Green discusses important governance topics from the founder/startup perspective and the VC perspective, including board composition, roles, communications, and conflicts of interest.</p>

5.6	<p><b>OPTIONAL: Investor Perspective: Breaking Into Venture Capital</b></p> <p>A conversation with Lolita Taub of The Community Fund (and formerly with Backstage Capital) on how she broke into venture capital and how Backstage Capital has aligned its mission with its investment thesis to find value.</p>
5.7	<p><b>OPTIONAL: Investor Perspective: The Role of Investors and Entrepreneurs to Support Inclusion in the Community</b></p> <p>Lili Gangas (Chief Technology Community Officer, Kapor Center) shares insights on the importance of inclusion and community building and advice for ecosystem builders, investors, and entrepreneurs to make an impact.</p>
5.8	<p><b>OPTIONAL: Investor Perspective: IPOs and M&amp;A</b></p> <p>Sandip Agarwala (Managing Director, Longitude Capital) discusses IPOs and M&amp;A.</p>
5.9	<p><b>OPTIONAL: Investor Perspective: Portfolio Construction</b></p> <p>Mike Palank (General Partner, MaC Venture Capital) discusses the importance of portfolio construction.</p>
5.10	<p><b>OPTIONAL: Discussion of VC Fund Third-Party Providers with Sensiba San Filippo</b></p> <p>Adam Sterling (Assistant Dean, Berkeley Law) hosts a discussion on VC fund third-party providers with VC University alumni, Misha Kelly (Senior Audit Manager, Sensiba San Filippo) and Fiona Wu (Senior Tax Manager, Sensiba San Filippo).</p>

**Optional Live Sessions**

<p>Approx. 3 months after course launch</p>	<p><b>Not required for certificate eligibility</b></p> <p>After regular office hours have concluded, a number of optional, live sessions will be scheduled for the cohort, including a networking session (featuring VC pub trivia!), and a Valuation Lab as part of Module 5. More information to be provided via the Canvas course site. Most of these sessions will be recorded.</p>
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## Lunch & Learn Webinars

Monthly	<p><b>Not required for certificate eligibility</b></p> <p>The monthly Lunch &amp; Learn webinars are exclusively provided to VC University participants and by invitation only. Although these are not necessary for certificate eligibility, they have been added to a separate Canvas Catalog course site, <b>VC University Resources</b>, for those who would like to watch the recordings. You will have access to the VC University Resources site, which also includes selected material from the course, for one (1) year.</p>
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