

Executive Summary

Venture Deals – Chapters 12-19

The second half of Feld's and Mendelson's book *Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist* provides direct, meaningful advice to would-be entrepreneurs looking to engage with venture capitalists, as well as much information that only pertains directly to entrepreneurs who are significantly deep into a successful business. Chapter twelve covers the rough structure of a venture capital firm. Chapters thirteen through fifteen discuss the process of securing funding through venture capital and the process and pitfalls of negotiation. Lastly, chapters sixteen through nineteen cover topics mostly geared towards entrepreneurs who have achieved enough continued success to need to worry about having their company acquired.

Chapter twelve doesn't have much value to either a layperson or a would-be entrepreneur. This chapter discusses the general business structure of a venture capital fund, including their internal responsibilities and management chain. This information, while assumedly correct, doesn't have much bearing on an entrepreneur's direct relationship with their startup or its funding.

Chapters thirteen, fourteen, and fifteen provide advice on the negotiation with venture capitalists, contacting and courting venture funds, and overcoming obstacles during various rounds of funding. Chapter thirteen is probably one of the more applicable chapters in the entire book to the entrepreneurial process, as it goes into detail on negotiation between founders and venture capitalists. The content in this chapter is well laid out and the provided examples help to put the lessons into context. Following that up, chapter fourteen is the next most useful chapter in this entire text. Chapter fourteen covers actual, applicable best practices for how to contact venture capital funds and how to make that contact meaningful and most likely to lead to positive results. Lastly, chapter fifteen covers

O'Connor, Jake

common pitfalls that entrepreneurs may run into during various funding phases of their startup. This chapter is short, but informative, and goes well to supplement the content from the previous two chapters.

Chapters sixteen through nineteen of the book, the final chapters before the ample appendices, cover topics best suited for those entrepreneurs who are lucky enough to find themselves the target of an acquisition by a much larger company. The vast majority of entrepreneurs will never reach this stage, so most of the information is not directly applicable to most readers, but it does contain interesting nuggets of wisdom that might someday be useful. Chapter sixteen covers the content and purpose of a letter of intent (LOI), which begins the process of negotiating an acquisition agreement. Chapter seventeen provides advice on when, why, and how to hire an investment banker to assist in the process of a startup, mostly in that their services are best suited for only the latest stages of acquisition negotiation.

Overall, the second half of this book provides much more applicable advice than the first half. Where the first half contains mostly drawn-out definitions of terms, the chapters contained in the second half focus on applicable wisdom on the processes of negotiation and securing funding from a venture capitalist. While I still cannot recommend this book to either a layman or would-be entrepreneur, it does serve some purpose as a light reference text for whenever, and if ever, a startup is considering a new funding round.

References

Feld, B., & Mendelson, J. (2019). *Venture Deals: Be smarter than your lawyer and venture capitalist*.

John Wiley.