

Executive Summary

Venture Deals – Chapters 1-11

The first half of Feld's and Mendelson's book *Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist* covers the 'who' and 'what' of venture capitalism in excruciating detail, compared to the second half's descriptions of the 'how' venture capitalism financing and negotiation work. The first chapter of the book roughly details the roles that are played by various participants in the foundation and funding of a startup: including the entrepreneur, the various types of financiers, and other integral resources such as bankers and lawyers. The second and third chapters cover the preparatory steps for and different types of fundraising through venture capital funds. The fourth through seventh chapters detail every conceivable term that could appear on an investment term sheet, including whether those terms are generally negotiable or not. Chapter eight details the significant differences between direct equity investment and convertible debt. Chapter nine covers the capitalization table and provides several extremely simple examples of how capitalization tables can be constructed. Chapter ten covers the various types of crowdfunding available to entrepreneurs either through individuals or investment firms. Finally, the eleventh chapter of the book describes the differences between venture debt and other types of bank loans.

One element of Feld's and Mendelson's book that stands out from the glut of term definitions in the first half is the assertion that all things within the negotiation with an investor boil down to "economics and control." Through the first few chapters, Feld and Mendelson really drive the point home that the terms they're defining boil down to economics and control, but in later

chapters within the first half this sentiment is almost forgotten. If “economics and control” was intended to be the authors’ addition to the conversation of venture capitalism, startup fundraising, and the negotiation of term sheets, it would have been appropriate for them to continue stressing the point and backing it up through the definition of terms provided.

Overall, I believe that the first half of this book could have been much better written, edited, and constructed. While it does contain important information and relevant examples for would-be entrepreneurs, they are so buried inside of overly verbose prose that an interested reader would be better off searching online for a bulleted list of terms and definitions. Aside from the verbosity in the first half of the book, the text also suffers from a lack of readability due to its layout, with chapters and sections lacking a cohesive flow that propels the reader along through the content. My recommendation would be to seek the information contained within the first half of this book elsewhere, either through a website with easily digestible, up to date information or through a cohesively written book more catered to the layman reader.

References

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