



LXIV
SIXTY-FOURTH SESSION



Berkeley Venture Capital

Berkeley Model United Nations



Dear Delegates,

Hello! My name is Vishal Kalyanasundaram and I am the head chair for Berkeley Venture Capital. We are a new committee at BMUN 64 this year and we're really excited to have you on board. This committee is going to be really different from your typical BMUN committee, and we hope it will be a great learning experience for your entrepreneurial mindset.

As far as I go, I've been involved with MUN for 8 years and with BMUN for 4. I'm a senior studying Electrical Engineering and Computer Science, and outside of MUN I enjoy music, comedy, and all things nerd. Now for your vice chairs!

Hey! I'm Ben Sher! I'm a 2nd year pre-business student with a music minor. In my spare time I enjoy listening to music, hanging out with Vishal and reading the news. I am SO excited for BMUN!

Jacky is a first year pre-Haas student who is also interested in computer science. His love for MUN began in the 8th grade, and ever since, he has been to a multitude of conferences around the world. When he has nothing better to do, he enjoys playing basketball and dancing to music. Never has he been so excited for a MUN conference in his life before.



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About Us

Hello, and welcome to Berkeley Venture Capital! We're a recently established Venture Capital fund and we're looking for our first round of investments - and we'd love to consider you! Let's start by going over the basics.

What are We?

BVC is a small, fast-paced venture capital fund interested in pursuing a highly diverse portfolio of investments. As a venture capital fund, we are looking for budding entrepreneurs to pitch ideas to us - in exchange for our money and resources, we will gain equity in the company in hopes that we can help it prosper and succeed. Our mission is to foster long-term growth in our portfolio companies by providing managerial and strategic planning decisions so that our investments can thrive in the competitive landscape. Many companies get the majority of their start-up capital through funding rounds by venture capital firms. Top venture capital firms include Kleiner Perkins Caulfield & Byers, Andreessen Horowitz, First Round Capital, and Google Ventures.

Currently, venture capital funding is being highly focused in the information technology industry, specifically in software areas such as social media. Because of the size of the market and nature of the applications, there are quick and huge returns. For instance, companies such as Facebook have revolutionized their monetization schemes - customers are plugged 24/7 into their smartphones and accounts, allowing Facebook the ability to capitalize on hundreds of millions of users constantly. BVC is looking ahead, though, and we hope to expand our portfolio to include industries such as renewable energy technology, biotechnology, and others!



Who are You?

As delegates, you will be playing the role of entrepreneurs! Entrepreneurs are ‘visionaries’, people who see the future of their industries and are prepared to take bold risks to seek new and innovative solutions to problems. They come up with exciting, daring ideas, found innovative companies, and are ready to change the world. Together, entrepreneurs create start-ups, which are composed of the largest group of people (no one person can do it alone!) that bond together over a plan to build the future. Every founding team has different members with different strengths and personalities. There are the people managers that dream big and coordinate the company’s vision; natural salespeople who are customer-facing and think about how to sell the vision; product-driven types who create the vision; and the finance types who make sure that the company stays profitable and can sustain the vision.

Over the coming months, you will receive a profile with information about the role you are going to play in committee. You will be given a distinct background and set of skills that may place you in one of the categories listed above. During committee, you will be responsible for coming together and forming groups with people of different skills and personalities. Each of you will be responsible for contributing to certain aspects of the pitch deck - but more on that in the next section!



Committee Structure

Since BVC will have a different structure than other committees at BMUN, we're going to go over what to expect in this section. It's going to be a fast-paced and intensive committee - you will not only be doing extensive preparation but also need to be comfortable with skills ranging from improvisation, public speaking, basic business knowledge, and more. Because of this, we encourage only the more experienced delegates to participate in this committee.

Preparation

As mentioned in the preceding section, you will receive an email in the coming months detailing your character profile for conference weekend. The profile will detail your background and skills, which will influence the role you will play in your founding team and how you will contribute to your company. For instance, if you are a computer science graduate who currently works at a large technology company, you're likely to be in a CTO or even CEO role, and you will be guiding the product ideation. If you are a consultant or undergraduate business major, you might have to think about how to market your product to consumers or how to monetize it and create a business plan. Though your skills might not match up directly with those listed in your profile, we highly recommend you stick to the role you are given. Try and think about what skills you might need and brush up on those!

You will also be responsible for weekly following our blog when it goes live. On it we will point you to helpful resources to help you prepare for committee. We will have specific modules that focus on a variety of topics that will come up, including selling your idea to VC's, the ideation process, public speaking tips, example pitch decks, and more. Get ready to learn a lot!



Conference Weekend

Since we will not have any procedural debate, our committee will default to a perpetual unmoderated caucus. At the beginning of committee, we will have a brief introduction and immediately break up into teams that you will be placed in. Each team will receive an industry to disrupt, and a packet of information that will give you information on the crisis and potential areas to innovate. From that point on, each team will be expected to produce a pitch deck with their idea by the end of the session. Each committee session will correspond to a funding round (Angel, Series A, Series B, Series C), and at the end of it, teams will present their ideas to the venture capitalists. At the beginning of the next session, we will announce which teams have received funding and which have not.

Teams with funding will continue to refine and hone their product and idea, while receiving crises along the way. Unfunded teams have the option to either refine or pivot their idea, with the stakes getting higher each team, partner with another team (which could potentially benefit both groups), or split up and individually join other teams in open roles.

At the end of the weekend, teams will be expected to produce a slide deck that will cover the information about your product, your business strategy, and your vision. We will provide example slide decks on the blog, but all of the following categories should be covered: the product technology, what problem your company will solve, target market, the competitive landscape, and the business model. You will be allowed to use your laptops during unmoderated caucus time to produce these slide decks.

If all this sounds intimidating or confusing to you, don't worry! We will go over procedure in more detail in the blog and during committee. What's important right now is that you prepare adequately on your position paper, which we will go over in the next section.



Position Paper Structure

For your position paper, we ask that you produce case studies of two existing-high growth startups as your position paper, as well as a pitch deck of any idea you have. The case studies should come from two different industries - the example format follows in the next section. The pitch deck format will be found on the blog.

Case Studies

In this section we'll go over some case studies of high-growth startups to see how they approached their founding, product, strategy, and growth.

Airbnb

Airbnb got its start when its two founders couldn't afford to pay rent in their San Francisco apartment. They decided to rent out their loft to make ends meet, but they decided not to use the go-to product at the time, Craigslist, because it was "too impersonal". Instead, they built their own product, a website where homeowners could rent their homes out to guests all around the world.

- **Founding Team:** The co-founders of Airbnb are Brian Chesky and Joe Gebbia, two design students, with Nathan Blecharczyk joining soon after. Chesky now serves as CEO, Gebbia as Product Officer, and Blecharczyk as CTO.
- **Revenue Model:** Airbnb charges a 10% commission to hosts, and a 3% transaction fee to guests.
- **Value Proposition:** The company offers value to hosts, as they can make extra revenue from renting out their home, and to guests by allowing them to travel cheaply and comfortably while experiencing the local flavor, while facilitating the



entire process along the way. Airbnb has also been one of the the companies that has pioneered the idea of the ‘shared economy’.

- **Target Market:** The target markets are hosts, who are real estate owners looking to make extra cash by renting out properties they own, and guests, people who travel often and want to stay in an alternative to a hotel. The company has over 500,000 properties now listed and 10 million guests. Airbnb’s user base is only growing through effective advertising and word of mouth.
- **Competitive Analysis:** Airbnb’s main initial competitor was Craigslist. The company later used this to their advantage, as they integrated a dual Craigslist listing, whereby customers were able to repost their airbnb listing on Craigslist. This allowed customers to use the new product without missing out on the platform with the larger user base, and allowed airbnb the opportunity to grow their user base by linking the Craigslist listing back to their website.
- **Product Details:** Airbnb’s initial product is the website, found at [airbnb.com](https://www.airbnb.com). Users can register their home to become a host, or rent a home as a guest nearly anywhere in the world. As the company has grown, it has expanded its product offerings to distinguish it from the competition and enhance “The Entire Trip”. The company offers a mobile app, with an enhanced user experience in like with the company’s focus on design. Airbnb also offers home cleaning services, neighborhood guides, safety inspections, professional home photography, and more.
- **Growth:** Already a multibillion dollar company, Airbnb is poised to continue growing its base by expanding to more markets.



Uber

Uber was founded in 2009 by two computer engineers who saw a niche for a ride service that offered more accountability and convenience than traditional taxi services. The idea behind Uber was that the app simply connected drivers to customers and let the market price accordingly.

- **Founding Team:** Uber was founded by Travis Kalanick and Garret Camp, two computer engineers who were serial entrepreneurs. Kalanick now serves as the CEO and Camp sits on the board.
- **Revenue Model:** Uber charges a 30% rate on all fares in addition to a \$1 “safe rides fee” meant as an insurance payment.
- **Value Proposition:** The company offers value to those who have a car and free time. Drivers can create their own hours and are likely to get on the road when fares are high. Additionally for passengers the company creates value by ensuring a safe ride through GPS tracking, a predetermined pricing structure and providing a fast, easy time to procure a ride.
- **Target Market:** Uber targets both drivers and customers. The drivers it tends to reach out to might be considering part time work to fund hobbies on the side. Its customers tend to be technologically savvy and own a smartphone. The app connects these two to create its service.
- **Competitive Analysis:** Initially, the only competition that Uber faced were the taxi companies. Already-established markets and industries are usually difficult to join, especially when offering similar services or products, however Uber quickly gained market share due to several new initiatives that the company launched. Being founded in San Francisco, as well as being heavily based on modern technology, Uber used this to their advantage as they quickly began taking over the market. Today, the only real competition that opposes Uber is Lyft, a company with very similar ideals. The only main difference is pricing strategy, as both companies basically offer the same services. However, Uber is currently well



- above its competitors, as being established earlier and already earning a loyal customer base has given the company a huge advantage in the race.
- **Product Details:** Currently, Uber distributes its services through its app, where customers are able to “call” for a driver with a simple tap on their smartphone. Uber offers several different ride options for its customers – Uber X, Uber Black, Uber SUV just to name a few. This allows Uber to cater to a greater variety of customers, where customers can select their preferred mode of travel. Uber uses a GPS system where drivers can track their customers through location services, and vice versa.
 - **Growth:** Founded only half a decade ago, Uber has already grown to a multi-billion dollar company, and still continues to grow through international expansion initiatives as well as market diversification strategies such as the newly introduced Uber Pool.



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