

INNOENERGY-SUMMER SCHOOL 2023

EMINE

ENTREPRENEURIAL FINANCE

June 27th & 28th 2023

1. Course description & Learning objectives

This module seeks to inspire the students with the exciting world of financing a new venture and helping to understand the role of each participant involved in the financing.

The objective of this module is to understand the basics of the financial statements, how a financial plan works and to analyze the challenges that arise when entrepreneurs are looking for financial sources for the new venture.

At the end of the course, students should be:

- 1 Able to understand the basics of the financial statements and major financial concepts such as financial planning.
 - 2 Familiar with the challenges of entrepreneurial finance: how to finance a startup
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2. Course format and teaching approach

To achieve the objectives of the course, the format is based on a mix of lectures, cases and class discussions.

Lecture/discussions. These sessions are devoted to presentation and discussion of the basic concepts of financial statement analysis and the frameworks, concepts, and theories that are useful for understanding the key issues by entrepreneurs when looking for financing. Lectures complement the required readings and are strongly linked to discussions during the case analyses.

Case studies. The case method is one of the most effective teaching tools to sharpen your analytical and decision-making skills, as it requires you to be an active participant in entrepreneurial finance decisions.

3. Course Content

SESSION 1 – June 27th, 2022 - 9:00 am to 1:00 pm

Financial statement's analysis

Instructor: José Manuel Caballero

Content:

- Lecture: Financial statement's analysis.

Readings

- For this session no readings are recommended.

SESSION 2 – June 28th, 2022 - 9:00 pm to 1:00 pm

The Financial Plan. How to finance a venture: Venture Capital & Business Angels

Instructor: José Manuel Caballero

Content:

- Lecture: The Financial Plan
- Case: Fuertes Vientos Wind Farm
- Lecture: How to finance a venture – Venture Capital & Business Angels
- Case: AB-Biotics

Readings:

From the textbook Alemany & Andreoli (2018):

- **Chapter 7: "Preparing the Financial Plan: Forecasting"**

Cases:

- **Fuertes Vientos:** Please just read the case. We will work and discuss on the financial plan of the case in class.
- **AB-Biotics:** Read the case and be ready to discuss it in class.

Other Recommended readings:

- 'The problem: financing entrepreneurial firms', Chapter 2 from *The Money of Invention*
- 'A new partnership, and a new approach, change the venture landscape', Chapter 6, from *Valley Boy*
- 'Inside the VC Club: The one thousand deciders', Chapter 2 from *Mastering the VC Game*
- 'Angels and informal investors', in Chapter 5 from *How to raise capital*
- 'Jargon Buster' (2003) from Smarter Ventures, K. Campbell. Keep it handy, it can be very useful during the course...
- 'What do Venture Capitalists do? (1989) – M. Gorman and W. A. Sahlman, *Journal of Business Venturing*, 1989, Vol. 4, 231-248.

Websites:

There are many interesting websites, and we are sure you will find them easily ;-), but these are some of our favourites:

- <http://www.people.hbs.edu/jlerner/info.html> – ‘Private Equity Information Sources’ – From HBS website. Very interesting for research on the subject, as information in this field is quite limited
- <http://nvca.org>– Website of the American VC Association
- <http://www.pegcc.org> - One of the key American PE associations
- <http://www.evca.eu> - Website of the European VC/PE Association
- <http://www.eban.org> - European Business Angel Association. Information about many European BA networks. Interesting if you are looking to raise early stage money in Europe
- <https://www.webcapitalriesgo.com> - Information on Spanish VC/PE resources and news. Mostly in Spanish. Some reports in English

5. Faculty

José Manuel Caballero

Email: josemanuel.caballero@esade.edu

ACADEMIC BACKGROUND

- Executive MBA from ESADE Business School (Barcelona)
- PDP from CORNELL UNIVERSITY (New York)
- Master in e-Business from La Salle (Barcelona)
- Business Administration Degree from C.D.E.S. Abat Oliba (San Pablo-C.E.U.).

AT PRESENT

- Corporate CFO & Member of Group Hallotex Board.
- Member of Eurecat Board of Trustees, representing Group Hallotex.
- Senior Financial and Business Advisor (AndAvant Project) for small and middle sized companies, family owned companies and start-ups.
- Academic Associate and Lecturer at the ESADE Business School.
- Business Angel and Investor.

PROFESSIONAL BACKGROUND

- Director for the Hospitality, Tourism & Leisure at BDO, Managing Director and co-founder at iPlan Consulting and other executives positions at Hoteles HG, DiR Group, Zeta Group, Agbar Group and PricewaterhouseCoopers (PwC).

KNOWLEDGE AND EXPERIENCE

- Strategy and business development, strategic marketing, investment analysis and valuation, corporate finance, cost controlling and budgeting, balanced scorecard, process reengineering, organization analysis, restructuring (organization, processes, businesses and financial) and others.
- Multinational and large corporations, family owned companies and start-ups.
- Services, tourism and hospitality industries, as well as finance and investment, textile and fashion, utilities and media, as well as others industries.

6. Bibliography

All assigned readings are on the course website. Some recommended books for those interested in going deeper into the subject include:

- **The Art and Science of Growing Ventures**", Alemany & Andreoli (2018), Cambridge University Press. **It is very interesting as it covers all issues related with Entrepreneurial Finance from a European perspective.**
- Ante, S. (2008) '**Creative Capital: George Doriot and the Birth of Venture Capital**'– HBS Press
- Bartlett & P. Economy (2002) '**Raising Capital for Dummies**' –Wiley Publishing
- Benjamin, G. & Margulis, J. (2001) '**The Angel Investor's Handbook: How to Profit from Early-Stage Investing**' – Vision Book
- Bussgang, J. (2010) '**Mastering the VC Game**'–Portfolio Penguin
- Bygrave, W., Hay, M. & Peeters, J. (1999) '**The Venture Capital Handbook**' Prentice Hall
- Campbell, K. (2003) '**Smarter Ventures**' – Prentice Hall
- Cendrowski, H., Martin, J., Petro, L. & Wadecki, A. (2008) '**Private Equity: History, Governance and Operations**'–Wiley
- Cumming, D & Johan, S. (2009) '**Venture Capital and Private Equity Contracting**'– Academic Press
- Draper, W. & Schmidt, E. (2011) '**The Startup Game: Inside the Partnership between Venture Capitalists and Entrepreneurs**' – Palgrave Macmillan
- Feld, B. et al (2011) '**Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalists**' – Wiley
- Gompers, P. & Lerner, J. (2002) '**Entrepreneurial Finance**' – Wiley
- Gompers, P. & Lerner, J. (2001) '**The Money of Invention**'–Harvard Business School Press

- Gupta, U. (2000) '*Done Deals*' – Harvard Business School Press
- Kocis, J., Bachman J., Long A. & Nickels, C. (2009) '*Inside Private Equity*' – Wiley
- Lawton, K & Marom, D. (2013) '*The Crowdfunding Revolution*'– McGraw-Hill
- Lutoff-Carroll, C., Pirnes, A. & Withers LLP (2009) '*From Innovation to Cash Flows*'–Wiley
- Manigart, S. & Meuleman, M. (2004) '*Financing Entrepreneurial Companies*'–Larcier
- Perkins, T. (2007) '*Valley Boy*' – Gotham Books
- Sahlman, W., Stevenson, H, Roberts, M. & Bhidé, A. (1999) '*The Entrepreneurial Venture*' - 2nd Edition – Harvard Business School Press
- Smith J. & Smith R. (2004) '*Entrepreneurial Finance*' 2nd Edition –Wiley
- Schertler, A. (2006) '*The Venture Capital Industry in Europe*' – Palgrave Macmillan
- Timmons, J., Spinelli, S. & Zacharakis, A. (2004) '*How to Raise Capital: Techniques and Strategies for Financing and Valuing Your Small Business*' – McGraw Hill
- Wilmerding, A. (2006) '*Term Sheets and Valuations*' – Aspatore Books