Venture Capital and Private Equity
MBA and EWMBA 295B
Wednesdays, 6pm – 9:30pm Room S480
3 Units

Lead Instructor: Jerome S. Engel
Co-Instructors: Sean Foote, Terry Opdendyk
GSI: Chris Rider

Course Description

Venture capital is core to our Silicon Valley hi-tech economy and our country's strong growth over the past two decades. U.C. Berkeley is located in the 'Mother Lode' of this very special and unique investment category. This course is an advanced offering for those who intend to seek, or manage, venture capital funding. Accordingly it is appropriate for students who aspire to become CEO's of entrepreneurial ventures, partners of venture capital firms or managers of institutional funds that invest in venture capital or other private equity funds. More generally, venture capital, is a sub-category of private equity, and represents many common characteristics. Students interested in other categories of private equity may find this course of interest for that reason; however the course clearly focuses on venture capital. Students should have completed Entrepreneurship [BA 295A] or have comparable work experience. The course counts toward the requirements for a Certificate in Entrepreneurship.

The course, while addressing private equity structures broadly, focuses on venture capital in depth. The course will make extensive use of case studies and guest lecturers. Industry experts, entrepreneurs, venture capitalists and those who advise them, such as investment bankers and lawyers will be frequent guests. We take extensive advantage of the school's geographic proximity to Silicon Valley to enrich the course with exposure to those who have real world, hands on experience.

Over the past twenty years, there has been a tremendous boom in the venture capital, and more broadly speaking, private equity industry. The pool of U.S. private equity funds - partnerships specializing in venture capital, leveraged buyouts, mezzanine investments, build-ups, and distressed debt - has grown from $5 billion in 1980 to over $250 billion today. Private equity's recent growth has outstripped that of almost every other investment asset class. Yet the last several years has seen significant instability and volatility in valuations and funds flows. Are such fluctuations unique, or rather typical of these illiquid and imperfect high risk markets?

While the growth and recent volatility in private equity has been striking, the long-term potential for future development is even more impressive. Despite its growth, the private equity pool today remains relatively small. For every one-dollar of private equity in the portfolio of U.S. institutional investors, there are about $40 of publicly traded equities. The ratios are even more uneven for overseas institutions.

Recent experience indicates that the venture capital industry has seen its way past its most recent turbulent past and is poised for continued and robust growth. But challenges remain. This is still essentially a cottage industry with highly compensated craftsman struggling with many of the structural issues of any maturing industry, including: specialization, generational change, managing growth, geographic concentration and globalization, among others. We will consider all these strategic issues as well as the basic tools of the trade.

The course is organized in four modules:

Module 1: The Private Equity Cycle – Industry Overview, Fund Organization and Structure [Classes 1,2,3,4]
The first module of "Venture Capital and Private Equity" examines how private equity firms are organized and structured. The structure of private equity funds, while often arcane and complex, has a profound effect on the behavior of venture and buyout investors. Consequently, it is as important for the entrepreneur raising private equity to understand these issues as it is for a partner in a fund.

Module 2: The Private Equity Cycle – Making Investment Decisions [Classes 5,6,7,8]
The second module of the course will prepare you for what many perceive as the core of the venture capital business: identifying opportunities and making investments. We will consider the elements of what makes a good opportunity, as well as what makes an opportunity a good investment for a specific fund. We will master the key tools of assessment, valuation, structuring and terms. We will investigate the interactions between private equity investors and the entrepreneurs that they finance. These interactions are at the core of what private equity investors do.

Module 3: The Private Equity Cycle – Financing Growth and Achieving Liquidity [Classes 9,10,11]
The third module of "Venture Capital and Private Equity" examines the process through which private equity investors finance the growth of their portfolio companies and ultimately achieve liquidity for their limited partner investors. Successful growth financing and exits are critical to insuring attractive returns for investors and, in turn, to raising additional capital. These transactions require different skills and resources than the initial investment decision. Collaboration with other private equity players, such as other venture firms, corporate investors, mezzanine funds, and buy-out firms are key tools of the trade. Also private equity investors' concerns about exiting investments - and their behavior during the financing and exiting process itself - can sometimes lead to severe problems for entrepreneurs. We will employ analytic frameworks, case studies and class guests to investigate and illuminate these processes.

Module 4: Fundraising, Limited Partners and The Future of Venture Capital [Classes 12,13,14]
Our final module will investigate how one forms and fund raises for a venture or private equity fund. We will look in depth at the needs and perspectives of institutional limited partners and emerging trends such as the role of new structures e.g. "funds-of-funds". We will close the course with a discussion with senior members of the venture community on the future challenges and opportunities for the industry and individuals who wish to make it their career.

Class Pedagogy, Cases, Readings and Assignments

Cases: The course makes extensive use of cases. Each class will begin with case discussion and thorough case preparation will enhance your enjoyment of class and learning experience. Cases are either in the text or posted to *Study.net*. Case names are often similar, and care should be taken that you are indeed preparing the correct case for that day's assignment.

Readings: The reading assignments provide background information important to the case preparation; however they may not explicitly be the subject of class discussion. The course is designed to use the case studies to anchor class analysis. Weekly required reading assignments are often supplemented by optional additional readings for those who wish to broaden their understanding or explore additional resource materials. All these supplemental materials are posted on *Study.net*. For additional background and context, two supplemental texts are recommended, and on reserve at the Long Library; *Venture Capital at the Crossroads* is a bit dated but provides meaningful historical context, and *The Venture Capital Cycle* provides an academicians perspective on the mechanisms of venture capital. Students wishing to get the most out of the course will make full use of these resources.

Assignments: The course is designed with a series of incremental assignments that introduce you to real venture capitalists, has you investigate how they make investment decisions, teaches you the fundamentals of deal valuation and structuring, and culminates in a final assignment which requires you to pull all these aspects together into a substantive investment proposal, suitable in form, structure and content for consideration by a venture capital firm. All assignments are to be submitted via email to all the instructors and the GSI, and a paper copy submitted in class.

Teams: A characteristic of venture capital and private equity firms is that they typically function in small teams or partnerships. Accordingly most of the assignments will require you to work in teams. Ideally teams will be made of three or four students, and should be organized early in the semester.

Due Diligence: Whether one intends to work for a private equity organization or to accept money from one, careful due diligence is essential. Private equity funds jealously guard their privacy, and distinguishing between top-tier organizations and less reputable concerns is not always easy. The case preparation and written assignments offer an opportunity to become better acquainted with the resources utilized by investors, including peer and expert interviews, industry research and electronic data bases. An important resource in completing your assignments will be the VentureOne database, which the firm has generously made available to our class.

Class Structure

The class will meet for fourteen three-hour sessions. Each session will have two sections, 6:00 – 7:30pm and 8:15 – 9:30pm, mixing case study, lecture, and guest speaker formats. The first section will typically be devoted to a case study and discussion, including frequent guest speakers relevant to the day's case or topic. Guests will include venture capitalists, successful entrepreneurs and those who support them, such as attorneys, and investment bankers. The second section will be lecture, discussion, and assignment presentation and review.

Textbook	VENTURE CAPTIAL & PRIVATE EQUITY Lerner, Hardymon, and Leamon.. 3rd ed. Boston, MA: John Wiley & Sons, Inc., 2005. Hereinafter *VC&PE* (available in bookstore)
Net Materials	Additional required and supplementary readings and some of the assigned casesre posted on **Study.Net** which is accessible Cases through Catalyst, and may be downloaded and printed if desired. Please take care to identify to **correct** case for each day's assignment – as many case names in the book and the text are **similar, but not the same.** It is important that you prepare the assigned case each day.
Books on Reserve	VENTURE CAPTIAL AT THE CROSSROADS. Bygrave and Timmons. Boston, MA: Harvard Business School P, 1992. THE VENTURE CAPITAL CYCLE. Gompers and Lerner.Cambridge: The MIT P, 1999.

Basis For Final Grade

Class attendance and participation [including case prep]	30%
Assignment 1: Meet a VC assignments [a and b]	5% and 10%
Assignment 2: Valuation problem sets [a and b]	5% and 10%
Assignment 3: Investment selection and recommendation [a and b]	5% and 35%

Instructors

Jerome S. Engel, engel@haas.berkeley.edu
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Teaching Assistant

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Prerequisites This course is intended to be an advanced offering. Registration in the course requires completion of MBA 295A Entrepreneurship, or comparable work experience. Waiver requires Professor Engel's approval.

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Class Schedule

Module 1: Firm Organization and Structure

Class 1 August 31

Principal Instructor: Jerry Engel
Topic: Course Introduction and Overview of Venture Capital and Private Equity
Lecture and Class Discussion:

- Overview and History of the Venture Capital Industry
- The Venture Capital Cycle
- Why take this course?

Hand out: VentureOne Sign up

Class 2 September 7

Principal Instructor: Jerry Engel
Topic: Venture Capital Industry and Firm Structure, Career Choices
Case: Martin Smith: January 2000. [Study.Net.]
New Assignment: Meet a Venture Capitalist [Assignment 1, part a]
Required Reading:

- "Private Equity Today and Tomorrow." [VC & PE. Pages 1-9]
- "How to Choose and Approach a Venture Capitalist." G. Jackson Tankersley, Jr. [Study.Net]
- "Meeting With the Venture Capitalist." Wayne B. Kingsley. [Study.Net]

Supplemental Optional Reading:

- "Venture Capital: More than Money." Dr. Jeffry A. Timmons and Dr. Harry J. Sapienza. [Study.Net]
- Financing Entrepreneurial Ventures. "Sources of Capital: An Overview, Equity Capital Sources, Government Financing Sources." Jeffry A. Timmons. [Study.Net]

Discussion Question

- What job should Martin Smith take?

Class 3 September 14

Principal Instructors: Jerry Engel and Terry Opdendyk
Topics: Strategies in organizing a venture fund and investment opportunity assessment
Case: ONSET Ventures [Study.Net]
Required Reading:

- "Module 1: The private Equity Cycle." [VC&PE. Pages 21-24]
- "Relationship between Venture Capitalist and Entrepreneur." Brook H. Byers. [Study.Net]

Supplemental Optional Reading:

- "How Much Money Does Your New Venture Need?" James McNeill Stancill. [Study.Net]

Discussion Questions:

1. What is Onset's model for the factors that create an attractive opportunity?
2. Do you agree or disagree with each of the elements of this model?
3. How much should Onset raise in this latest fund?
4. Evaluate Onset's actions with respect to TallyUp so far. How should the firm deal with the issues presented at the end of the case?

Class 4 September 21

Principal Instructor: Terry Opdendyk
Topic: Structure and terms of venture capital and private equity firms
Case: Acme Investment Trust: January 2001
Required Reading:

- "A Note on Private Equity Partnership Agreements." [VC&PE. Pages 64-75]

Discussion Questions:
A major corporate pension fund is considering investing in a new private equity partnership sponsored by Hicks, Muse, Tate & Furst. The private placement memorandum calls for a somewhat different fee structure from that usually employed by private equity funds. The pension fund's managers must decide whether this should affect their decision to invest. Why is Hicks, Muse proposing this novel guarantee structure?

1. More generally, why are the incentives offered private equity investors so similar?
2. What are the financial implications of the offer? In particular, how does the limited and general partners' compensation change with the size of the fund raised?

Module 2: The Private Equity Cycle – Making Investment Decisions

Class 5: September 28

Principal Instructors: Jerry Engel and Sean Foote
Topic: Investment Selection
Case: Martin Smith May 2000 [Study.Net]
New Assignment: Investment Selection [Assignment 3, part a]
Assignment Due: Meet a Venture Capitalist Deliverable 1 [Assignment 1, part a]
Required Reading:

- "Module 2: The Private Equity Cycle: Investing." [VC&PE. Pages 137-142]
- "How Venture Capitalists Evaluate Potential Venture Opportunities." Lauren Barley and Michael J. Roberts. [Study.Net]

Supplemental Optional Reading:

- "Structuring Venture Capital Investments." Jonathan E. Cole, Esq and Albert L. Sokol, Esq. [Study.Net]

Discussion Questions:
Review the case and the three Power Point presentations. As you read over the materials, consider how Martin should structure his presentation at the partners' meeting. Among the issues you may wish to consider are:

1. Which company should he recommend?
2. Which uncertainties should he highlight?
3. Are there valuation issues that he should highlight.
4. What organizational issues are likely to influence the partners' decision?

Class 6 October 5

Principal Instructors: Jerry Engel and Sean Foote
Topic: Valuation Methods and Techniques, Due Diligence Procedures
Case: Adams Capital Management: March 2002
New Assignment: Valuation set #1 [Assignment 2, part a]
Assignment Due: Investment Selection [Assignment 3, part a]]
Required Reading:

- "Valhalla Partners Due Diligence." William A. Sahlman. [Study.Net]

Discussion Questions
1. Adams espouses a "market first" analysis of opportunity by looking for discontinuities. Is this substantive or window dressing? Do the four types of discontinuities represent applicable guidelines? Are they comprehensive, or are there other discontinuity templates that a venture investor would find useful?
2. Analyze structured navigation. Is this a valid measurement of progress in early stage investing? Could such a program ever hinder company development?
3. How does the ACM approach affect the recruiting, training, and management of ACM partners?
4. How should LPs of ACM view the ACM approach to technology start-ups (i.e., discontinuities and structured navigation?)
5. How should ACM shift its strategy?

Class 7 October 12

Principal Instructor: Sean Foote
Topic: Deal Valuation and Deal Terms

Case: Metapath Software: September 1997
New Assignment: Valuation set #2 [Assignment 2, part b]
Assignment due and review: Valuation set #1 [Assignment 2, part a]
Required Reading:
- "A Note on Valuation in Private Equity Settings." [VC & PE. Pages 204-223]

Discussion Questions:
1. Analyze Metapath's capital structure, in particular the various forms and prices of preferred stock from the multiple previous rounds of financing. How has this capital structure affected the offer from Robertson & Stephens? How would RSC's participating preferred interact with the other tranches of preferred stock?
2. How do you analyze the RSC offer? In particular, what is the value of the participating preferred feature to the RSC syndicate? What are the risks to the Metapath shareholders if the board accepts the RSC offer? Even though the company has only projected its activity one quarter forward, is it possible to assess the reasonableness of the valuation? (For those brave enough to attempt to a discounted cash flow situation, the ten-year Treasury rate in September 1997 was 6.21 percent.)
3. Is the Celltech offer fair? How should the Metapath board view the Celltech stock? What the risks for the Metapath shareholders if the board accepts the Celltech offer?

If you were on the Metapath board, which option would you support?

Class 8 October 19

Principal Instructor: Sean Foote
Topic: Financing growth, financing/investing in later rounds
Case: Endeca Technologies
Assignment due: Valuation Set # 2 [Assignment 2, part b]
Assignment review: Investment selection [Assignment 3, part a]
Required Reading:
- "Negotiating Venture Capital Financings." Richard D. Harroch. [Study.Net]
- "A Note on Private Equity Securities." [VC & PE. Pages 288-295]

Supplemental Optional Reading:
- "Structuring the Financing." Stanley C. Golder. [Study.Net]

Discussion Questions
1. Critique Steve Papa's fundraising strategy for the C financing round. What steps did he take that were sensible? What mistakes did he make?
2. What are the virtues and drawbacks of accepting the financing package offered by the insiders? The Ampersand proposal?
3. Why did the original investors initially want an outside investor to take the lead role in the new financing, but were willing to do so themselves later on? How should Bessemer view the outside package? How should Venrock?
4. What are the key differences in the term sheets offered by the insider group and Ampersand? What explains the key differences?
5. Analyze the impact of renegotiating the antidilution provisions. Consider both the quantitative and qualitative impacts. (When considered the quantitative impact, not that the previous formula adjusted the conversion price the average of the price in B and C rounds, weighted by the sizes of the two financing rounds.) Was Bes semer's request to adjust these terms reasonable?

Module 3: The Private Equity Cycle – Financing Growth and Achieving Liquidity
Class 9 October 26

Principal Instructor: Terry Opdendyk
Topic: Corporate Venture Capital
Case: Intel 64 Fund [Study.Net]
Assignment due: Meet a Venture Capitalist [Assignment 1, part b]
Assignment returned: Valuation Set #2

Required Reading:
- "A Note on Corporate Venture Capital." [VC & PE. Pages 505-509]
- "In-Q-Tel." [VC & PE. Pages 483-504]

Discussion Questions
1. Should Intel accept Partridge's proposal? Does it satisfy Intel's goals? What are the risks of implementing the proposal?
2. Even though Partridge's group arrived at the structure by incrementally solving individual issues (managing OEMs, adding end-users, avoiding becoming an investment manager, etc.), one could see it as a structure that separates strategic issues from financial investment issues. That is, in the final structure Intel vets investments on strategic issues, and Morgan Stanley vets investments on financial return issues. Do you agree? Is this a good solution to the generic corporate venturing tension between strategic imperatives and financial return imperatives?
3. Is this a workable operating structure? What will be the pitfalls going forward in making this work on a day-to-day, week-to-week basis? Is the complexity worth it?
4. Is this a good deal for the OEMs? for the end-users in the EAF?
5. If you were the CEO of a private company with the choice of several traditional VC capital sources including the Intel 64 Fund, would you be inclined to take money from the fund? What are the issues—distinct from more traditional VCs—of taking money from the 64 Fund?
6. As a traditional financial VC, would you want to co-invest with the 64 Fund? What are the issues—distinct from more traditional VCs—of co-investing with the 64 Fund?

Class 10 November 2

Principal Instructor: Jerry Engel
Topic: Buy-out Funds
Case: Francisco Partners [Study.Net]
New Assignment: Investment Memo, including structuring, valuation and terms
Discussion Questions
1. What is the rationale for the Francisco Partners fund? What are the key strengthens?
2. What are the key risks associated with the fund?
3. How can David Stanton's part performance be best assessed? What issues are posed by the fact that he formerly worked at TPG?

Which of the key terms discussed in the case and tabulated in Exhibit 15 are most critical? As a limited partner, which provisions would you push for most aggressively?

Class 11 November 9

Principal Instructor: Sean Foote
Topic: Seeking Liquidity – IPO vs. Recap
Case: Apax Partners and Xerium, S.A.
Assignment Review: Meet a Venture Capitalist [b]
Required Readings:
- "A Note on European Private Equity." [VC & PE. Pages 224-235]
- "Module 3: The Private Equity Cycle: Exiting." [VC & PE. Pages 349-352]
- "A Note on the Initial Public Offering Process." [VC & PE. Pages 398-403]

Supplemental Optional Reading:
- "Guide to Initial Public Offering." Steven E. Bochner, Esq. and Gregory M. Priest, Esq. [Study.Net]

Discussion Questions
1. What are the difficulties associated with exiting private equity investments? Is the process harder in Europe than the United States?
2. Xerium might in many senses be seen as an ideal LBO: a solid firm that has generated lots of cash, paid down its debt ahead of schedule, and so forth. Why is it, then, that Apax is having so many problems selling the firm? Is there something wrong with the valuation it is asking for the firm? Or has the LBO world's expectations changed?
3. What are the issues associated with the recapitalization of Xerium? How will the firm's capital structure change after the deal? How are the various parties likely to view the transaction?
4. What should Apax do: sell Xerium, recapitalize the firm, or wait?

Module 4: Fundraising and the Future of Venture Capital

Class 12 November 16

Principal Instructor: Jerry Engel
Topic: Creating a New Private Equity Firm/Funds-of-Funds/ Fundraising
Case: University Technology Ventures: October 2000 [Study.Net]
Required Reading:

- "A Note on the Private Equity Fundraising Process." [VC & PE. Pages 105-110]

Discussion Questions

1. How does University Technology Ventures propose to create value for its investors? Are its arguments plausible?
2. Why have venture capitalists been interested in having UTV as a potential investor?
3. Would you invest in the UTV fund? Why has the fundraising proven to be more difficult than anticipated? Is the problem in the concept of the fund, or in the way they have marketed the concept? Should they shift their fundraising strategy?
4. How much does UTV charge for their services? What increment to performance would be required to justify their fees?More generally, when do intermediaries add value to private equity investing?

November 23

NO CLASS – Happy Thanksgiving!!

Class 13 November 30

Principal Instructor: Terry Opdendyk
Topic: A Limited Partners' Perspective
Case: Yale University Investments Office: June 2003
Assignment due: Investment Opportunity Structuring, Valuation, and Terms [Assignment 3, part b]
Required Readings:

- "Between a Rock and a Hard Place: Valuation and Distribution in Private Equity." [VC & PE Pages 404-431]
- "Gold Hill Venture Lending." [VC & PE. Pages 111-135]

Discussion Questions

1. How has the Investment Office selected, compensated, and controlled private equity fund managers? What explains the differences between its strategy in private equity with that in other asset classes (e.g., real estate)?
2. How has the Investment Office decided when to make private equity investments? What explains the differences between the strategy in private equity with that in other assets classes (e.g., real estate)?
3. How has the Investment Office made international private equity investments? What explains the differences between the performance of its international and domestic private equity investments?
4. How is the private equity industry changing? How could Swensen's private equity strategy go wrong?
5. Should David Swensen shift his private equity strategy?

Class 14 December 7

Principal Instructor: Jerry Engel
Topic: Class Wrap up: Looking to the Future
Cases: Joe Casey January 2000, revisit Yale University Investment and Martin Smith Jan. 2000
Assignment Review: Investment Opportunity Structuring, Valuation, and Terms [Assignment 3, part b]
Required Readings:

- "Chengwei Ventures and the hdt* Investment." [VC & PE. Pages 319-335]
- "Module 4: The Private Equity Cycle: New Frontiers." [VC&PE. Pages 433-439]
- New Enterprise Associates web site http://www.nea.com/

Discussion Questions

1. Joe believed that obtaining operating experience was essential to becoming a successful venture capitalist. Do you believe that? Why? Has his operating experience helped Joe's career in venture capital?

2. This case examines the first two years of employment at an established venture capital firm. What are the key things that Joe has done to be successful? What could he have done better? Could the Akamai situation have been handled better?
3. Exhibit 3 shows Joe's expectations about this career development. Which items would you emphasize or deemphasize? Which items would you add or delete?
4. Are the goals in Exhibit 4 the types of objectives that will make Joe successful? Will they make Venrock successful?

Instructor's Biographies

Jerry Engel

Jerome S. Engel has been involved with the formation and growth of entrepreneurial ventures for over twenty five years. Active in academe, venture capital, business consulting and community affairs, his current positions include:

Executive Director, THE LESTER CENTER FOR ENTREPRENEURSHIP AND INNOVATION, University of California at Berkeley, 1991 - present. As founding Executive Director, responsible for the creation of an institution that coordinates all of the university's activities in the areas of entrepreneurship and innovation.

Adjunct Professor, Walter A. Haas School of Business, University of California, Berkeley. Instructs in both the School's MBA and Executive Education programs specializing in Entrepreneurship, New Venture Finance, Corporate Innovation, Venture Capital and Private Equity. Director of the Entrepreneurship Program of the Haas School.

General Partner, Monitor Venture Partners [the venture capital affiliate of the Monitor Group]
Board of Directors or Advisors of several private high-technology companies.
Faculty Co-Chair, U.C. Berkeley Venture Capital Executive Program
Faculty Co-Chair, Global Social Venture Competition
Advisory Board, National Association of Corporate Directors, Northern California
Faculty Advisory Board, Kauffman Fellows Program
Chair, Board of Directors, Berkeley Entrepreneurship Laboratory

From 1979 through 1990 Mr. Engel was the San Francisco Bay Area Director of Entrepreneurial Services for Ernst & Young. Promoted to Partner in 1982, Mr. Engel specialized in consulting on capital formation, corporate strategy and management organization of entrepreneurial ventures, with an emphasis in software and biotechnology. In 1990 Mr. Engel was appointed Ernst & Young's National Director of Capital Resources, where he directed the firm's efforts in raising capital for its emerging business clients nationwide. From 1992-1995 Mr. Engel served as a member of the Board of Directors of Maxis Corporation (*The Sims*), and oversaw the company's financing activities which included venture capital and a successful initial public offering. In 1995, Mr. Engel was a founding General Partner of Kline Hawkes Capital, a venture capital firm based in Los Angeles. In addition to Mr. Engel's current positions, he has served on the Boards of a number of emerging companies including LeapFrog [NYSE: LF] MicroNet Technology [acquired by Ampex], Transoft Inc., [acquired by HP], and Centric Software, a leader in 3-D visualization and virtual product prototyping. Earlier, during his career with E&Y, Mr. Engel helped a number of entrepreneurial firms go public, including AutoDesk and Fair Isaac Companies. In 1998 Mr. Engel co-founded AllBusiness.com, which he grew to over 150 employees and successfully sold to NBC for $250m in March, 2000. But most important in Mr. Engel's career has been his endeavors for the last fifteen years at the University of California, Berkeley, where his efforts have contributed to the creation of the of the country's foremost entrepreneurship programs.

Sean Foote

Mr. Foote has been a venture capitalist investing in early stage companies for the past 8 years. He is a Managing Partner at Labrador Ventures, a premier seed-stage investment firm founded in 1989 and located in Silicon Valley. Investing across a wide range of technology areas, his current areas of interest include applied material science and niches of semiconductors and software with strong business models and limited competition. His current investments include Eoplex Technologies, Everyone.net, ezboard, GreenBorder Technologies, Integrated Materials Inc., Altierre Corporation, and EBots.

Before venture investing, Mr. Foote was a Manager with the strategic management consulting firm Boston Consulting Group, working in a wide range of industries such as telecom, computers, healthcare, banking, and automotive on topics ranging from strategic alliances to Internet strategies. Mr. Foote also worked as a systems engineer for AT&T Bell Laboratories, developing artificial intelligence systems for testing the most complicated telecommunications circuits.

Mr. Foote is a columnist for the *Venture Capital Journal*, a frequently quoted writer and public speaker, and a Lecturer in Entrepreneurship at the Haas School of Business, University of California at Berkeley.

Mr. Foote received his undergraduate degree in Electrical Engineering from the University of Missouri Rolla, and his MBA from the University of Virginia's Darden Graduate School of Business, where he received the Shermett award granted to the top 3% of students.

Terry Opdendyk

Terry Opdendyk has specialized in working with technology based start-ups for more than 30 years. He founded ONSET Ventures, a premiere Silicon Valley venture capital firm, in 1984. He is Managing Director and General Partner at ONSET.

Prior to launching the firm, Terry was president of VisiCorp, guiding the software publishing company from inception into an industry leader. Early in his career, Terry worked as a technical manager for Hewlett-Packard as a part of the original group of individuals that started HP’s computer business. He later headed Intel Corporation's microcomputer systems business, microprocessor architecture activities, several international ventures and human resources.

At ONSET Ventures, Terry maintains a broad spectrum of investment interests including software, communications and new drug delivery technologies. He serves on the boards of both public and private companies, such as Arcot, APX, Callidus, Nextance and Adaptive Planning.

One of Terry’s passions is teaching. He works with students each year at the leading business schools, focusing on the fundamentals of building successful businesses. He currently is a Fellow at the Lester Center for Entrepreneurship and Innovation at the Haas School of Business, University of California.

Terry received a B.S. from the Michigan State University Honors College and a M.S. from Stanford University.

Chris Rider

Chris Rider is a Ph.D. student in the Haas Organizational Behavior and Industrial Relations program. His research interests include entrepreneurship, venture capital and organizational decision making. Chris has worked in management positions at Verizon Communications, Intel Corporation and Cars.com and also has professional experience in litigation consulting. Chris received a M.B.A. with honors from the University of Chicago and a B.A. in Economics with honors from Johns Hopkins University.