

Venture Capital Deal Mastery: Valuation to Term Sheet

Learn the VC deal process from start to finish, designed for executives, founders, and finance professionals.

Venture Capital & Private Equity Instructor: James Carter • 5 sections • 54 lessons • 19.25h total

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About this course

Navigating venture capital deals can be confusing. Founders often struggle with valuation, term sheet clauses, and negotiations, which can lead to unfavorable outcomes or lost opportunities. This course breaks down each step to give you clarity and confidence. You'll learn through video lectures, real case studies, and practical exercises. We cover everything from financial metrics to term sheet negotiation, so you can structure deals effectively and build strong investor relationships.

Course curriculum

Foundations and Preparation

- **Introduction to Venture Capital and Deal Flow (18m)**
We'll cover what venture capital is, how deals come together, and the typical timeline from pitch to investment.
- **Understanding the VC Ecosystem: Key Players and Roles (12m)**
Explore the roles of angels, VCs, and advisors, and how they interact in the funding process.
- **Stages of Venture Funding: From Seed to Series C (15m)**
Learn the differences between funding stages, their goals, and what investors expect at each level.
- **Preparing Your Business for VC Funding (20m)**
Step-by-step guide on getting your financials, team, and product ready for investor scrutiny.
- **Financial Metrics VCs Look For (25m)**
Dive into key metrics like MRR, churn, and LTV that VCs use to evaluate startups.
- **Building a Pitch Deck That Works (30m)**
Practical session on creating a clear, compelling pitch deck with real examples.
- **Legal Basics for Founders and Investors (18m)**
Understand common legal terms and documents you'll encounter in VC deals.

Core Concepts of VC Deals

- **Anatomy of a VC Deal: Key Components (15m)**
Break down the main parts of a deal, including investment amount, equity, and terms.
- **Valuation Fundamentals: Pre-Money and Post-Money (22m)**
Learn how valuations are calculated and what they mean for ownership stakes.
- **Cap Tables: How Equity is Distributed (18m)**
Step-by-step guide on building and reading capitalization tables.
- **Understanding Dilution and Ownership (20m)**
Explore how funding rounds affect founder ownership and strategies to manage it.
- **Term Sheet Overview: What to Expect (25m)**
Get familiar with the structure and purpose of a term sheet before negotiations.
- **Key Term Sheet Clauses: Liquidation Preferences (28m)**
Deep dive into liquidation preferences, with examples of common setups.
- **Anti-Dilution Provisions Explained (22m)**
Understand full ratchet vs. weighted average anti-dilution and their impacts.
- **Board Composition and Governance Terms (18m)**
Learn how board seats are allocated and why governance clauses matter.
- **Vesting Schedules for Founders and Employees (15m)**
Practical guide on setting up vesting and its role in aligning interests.
- **Information Rights and Management Rights (12m)**
Explore what data investors can access and how they influence decisions.

- **Drag-Along and Tag-Along Clauses (20m)**
Understand these exit-related clauses with real case scenarios.
- **No-Shop and Confidentiality Agreements (10m)**
Why these clauses exist and how to handle them in negotiations.

Deep Dive into Valuation and Terms

- **Advanced Valuation Methods: DCF and Comparables (32m)**
Learn to apply discounted cash flow and comparable company analysis.
- **Benchmarking Valuations with Industry Data (25m)**
Use current market data to set realistic valuation ranges.
- **Negotiating Valuation: Strategies and Tactics (28m)**
Problem-solving session on how to approach valuation discussions.
- **Understanding Convertible Notes and SAFEs (20m)**
Compare these common early-stage instruments and their uses.
- **Convertible Note Terms: Cap, Discount, Interest (18m)**
Break down key terms with examples from recent deals.
- **SAFE Agreements: Key Features and Conversions (15m)**
Step-by-step guide on how SAFEs work and convert to equity.
- **Pricing Equity Rounds: How to Set Terms (22m)**
Explore factors that influence pricing and negotiation points.
- **Handling Valuation in Down Rounds (25m)**
Real case study on managing challenging funding scenarios.
- **Case Study: Real-World Valuation Scenarios (30m)**
Analyze actual deals to see valuation principles in action.

Advanced Application and Negotiation

- **Preparing for Term Sheet Negotiations (22m)**
Create a negotiation plan with clear priorities and fallbacks.
- **Negotiating Liquidation Preferences (25m)**
Practical exercises on how to discuss and adjust this clause.
- **Managing Anti-Dilution Clauses in Practice (20m)**
Work through scenarios to minimize dilution risk.
- **Structuring Board Seats and Voting Rights (18m)**
Learn to balance control and investor input through board design.
- **Employee Stock Option Plans (ESOPs) and Their Impact (15m)**
How ESOPs affect dilution and why investors care about them.
- **Handling Multiple Term Sheets from Investors (28m)**
Strategy session on comparing offers and making decisions.
- **Due Diligence Process: What VCs Investigate (30m)**
Step-by-step look at the due diligence checklist and common red flags.
- **Closing the Deal: From Term Sheet to Investment Agreement (25m)**
Understand the final documents and steps to seal the deal.

- **Post-Term Sheet Steps: Finalizing Documents (18m)**
Practical guide on signing, funding, and post-close actions.
- **Common Pitfalls in VC Deal Negotiations (22m)**
Learn from mistakes others have made to avoid them yourself.
- **Case Study: Negotiating a Series A Term Sheet (32m)**
Walk through a full negotiation example with annotated terms.
- **Role of Legal Counsel in VC Deals (15m)**
How to work with lawyers effectively and when to involve them.
- **Cross-Border VC Deals: Unique Considerations (25m)**
Explore legal, tax, and cultural factors in international deals.
- **Venture Debt as an Alternative or Complement (20m)**
Understand how venture debt works and when to use it alongside equity.

Implementation and Next Steps

- **Implementing Deal Terms: Practical Steps (18m)**
Translate term sheet clauses into actionable company policies.
- **Managing Investor Relations Post-Deal (22m)**
Build strong communication with investors through regular updates.
- **Planning for Future Funding Rounds (20m)**
Set milestones and metrics to prepare for the next round.
- **Exit Strategies: IPOs, Acquisitions, and Secondary Sales (28m)**
Explore different exit paths and how VC terms affect them.
- **Understanding VC Fund Economics and Returns (25m)**
Learn how VCs operate, including fund life and return expectations.
- **Building a Network in the VC Community (15m)**
Tips for connecting with investors, mentors, and peers.
- **Continuous Learning: Resources and Tools (12m)**
Recommended books, websites, and tools to stay updated.
- **Course Review: Key Takeaways (20m)**
Summarize the main concepts and strategies from the course.
- **Practical Exercises: Drafting a Term Sheet (30m)**
Hands-on activity to create your own term sheet based on scenarios.
- **Q&A and Troubleshooting Common Issues (25m)**
Address frequently asked questions and real-time problems.
- **Next Steps: Advanced Topics in VC (18m)**
Outline areas to explore further, like growth equity or impact investing.
- **Case Study: Full Deal Lifecycle Analysis (32m)**
Walk through an entire deal from pitch to exit with lessons learned.

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