

# **Private Capital: From Seed & Venture Investing to Buy-outs & Spinoffs**

**SYLLABUS for Econ 333  
Duke University Economics  
Spring, 2019**

**Course: Private Capital/ Equity, Econ 333**

**Course Classroom: Social Sciences 111**

**Class time: Thursdays from 3:05pm-5:20pm**

**Professor: John Forlines III**

**Professor's Office: 327 Social Sciences Bldg, 3<sup>rd</sup> Floor**

**TA & Student Assistant: Val Slepak, [valerie.slepak@duke.edu](mailto:valerie.slepak@duke.edu)**

**Mobile: 646-734-3903**

**Office Hours: *By appointment and look for Announcements through Sakai for additional opportunities; I'll have some time most Thursdays prior and after class and select Wednesday afternoons and Fridays throughout the semester -- email Val or me and copy***

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## **IMPORTANT NOTES:**

- **Your grade for this class will be equally weighted as follows: 40% class participation, 20% Sakai Forum participation, 40% final assignment.**
- **If you cannot make it to class, please email me in well in advance. Your participation and working in class with teammates is a large component of your grade, so attendance is important.**
- **Part of this class is about professionalism – we will have guest speakers and you will do multiple class presentations. The look we are going for is “business casual.”**
- **Because of the presence of guest speakers, who all have busy schedules, some of the dates and lectures may be subject to**

change. I ask for your patience on this and promise to send an updated syllabus if this occurs.

## January 10

### **Introduction – What to expect this semester, Part 1**

We are splitting the first class into three groups based your *current* post - Duke career plans. During this first scheduled class slot I'll meet in the class room with those of you as follows: 3:05 – 3:35, financial sector companies; from 3:45-4:15, consultancies; and, from 4:30-5:00, tech companies, including start-ups. If you are still “in process” of choosing a post-Duke launch pad, email me, we'll figure out best initial group.

In addition to the emerging growth technologies/industries/companies our focus this spring is “Career paths to Technology, Venture and Private Equity.” This session will help you maximize the “value” of the Course to *you*. **Please send me your Resume if you have updated it since course registration.**

**ASSIGNMENT: Be prepared to discuss the assumptions about your current post-Duke career path and how you are thinking about an eventual connection to opportunities in technology (including healthcare), early stage, venture or private equity.**

## January 17

### **Introduction – What to expect this semester, Part 2**

Who are your classmates, where we've been & where we are going?  
The Private Capital basics – learning the language, new sources (Sakai handouts)  
Growth technologies/industries/companies our focus  
Overview of Final Assignment Competition

**ASSIGNMENT: Familiarize yourself with industry language, resources and news (see handouts available on Sakai). They are chosen to**

stimulate discussions in class and to help you think about “bigger picture” ideas and themes about investing *and* life.

## January 24

**One Year Later: The Intersection of Venture & Private Equity—The Founding, Growth, Sale & aftermath of JAForlines Global, December 29, 2017; other examples from Early Stage Growth Investing**

**ASSIGNMENT:** Discuss & brain storm in class regarding Final Competition Teams (3 per team), Captains & Team names, due on February 1—Val Slepak will assist in the team formation; Email her by Monday February 1 with final team choices. *This is your team for all in class presentations and the Final Project.*

**ASSIGNMENT:** Discuss in class “Fast Forward” Note Card assignment (to be handed out in class), due January 31—> **Pick a current trend or “big idea” and predict how it will shape the future. More information on Sakai**

## **Section 2: Early Stage Capital**

### January 31

Seed Capital, how crowdsourcing is changing the game; Starting your own VC firm, VC 101; sourcing deals, finding a differentiation and where the VC industry goes from here?

What does a VC firm look like on the inside? What makes a successful VC fund?

VC Marketing & Terms

**DUE: “Fast Forward” Note Card Assignment**

**GUEST SPEAKER** Howie Rhee, Managing Director, Fuqua's Center for Entrepreneurship and Innovation & Managing Director, Student and Alumni Affairs for Duke I&E.

## **Section 3: Technology, Healthcare & Consumer Discretionary: Sectors You Should Know & Care About**

### **February 7**

**ASSIGNMENT:** Read “The Dark Secret at the Heart of AI” & “Beyond the Bitcoin Bubble” in Announcements & related FinTech Handouts on Sakai

**In Class:** You will be given prompts for “Lightning Second Round” partly based on your “big ideas” from last week.

**Prepare yourself for these four roles:** 1) You're a Founder pitching an idea to a VC firm; 2) You're a partner in a VC firm making a decision on a Founder pitch; 3) You are a successful start-up pitching sale to a Strategic corporate buyer; 4) You are a Strategic corporate buyer making a decision to buy a start-up.

**Guest Alumnus:** Divya Dhulipala, Duke '18 TrueBridge Capital. Divya chose the PE/VC fund route right out of University. She will field your questions on her role in deals, etc.

### **February 14**

The world of Investors  
Building a portfolio of companies, funds  
Who invests in venture & private equity – Family Offices, Funds of Funds, Pensions, Endowments, Foundations & Consultants

**In Class: Be ready for Pirate & Harry Potter Pitches, Quick Pitches (see Sakai Announcements)**

## **February 21**

View from Big Tech: Facebook's Role in Changing the Way we Connect, Learn and Debate.

**ASSIGNMENT: {Read article on Imaging}**

**Guest Alumnus: Reid Patton, Duke '18 Facebook Project Manager. Reid will field your questions on her career choice and her work at FB in her first year.**

## **February 28**

**No Class- Enjoy New Orleans!!!**

- 1) Work on Final Projects and practice pitches**
- 2) Read gambling-centric articles and come prepared to discuss on March 7<sup>th</sup>**

## **March 7th:**

**Guest Alumni : From Wall Street to Start-up: Max Feidelson and Tyler Deane-Krantz (Duke '15) discuss their path to entrepreneurship**

## **March 15th: No Class, Spring Recess**

**ASSIGNMENT:**

- 1) Work on Mock Presentations and start practicing pitches
- 2) Read healthcare-centric articles and come prepared to discuss on March 29<sup>th</sup>
- 3) Figure out where you made risk/return-oriented mistakes in your “March Madness” brackets

## **March 22<sup>nd</sup>**

Major trends in Healthcare Investing  
How “one size does NOT fit all” is the new paradigm in structuring deals

**GUEST Alumnus: James Band, Duke Healthcare Analyst at Tiger**

***Final Presentations Begin; Investor Roles responding to Presentations will be assigned a week before***

## **March 28<sup>th</sup>**

Wearing many hats at a PE firm—How multiple previous career roles-- legal, banking, teaching set the stage...

**GUEST Alumnus: Bill Brown, Duke Law '80, Managing Partner at 8 Rivers Capital & CEO of NET Power**

***Final Presentations***

**Section 3: Thinking on Your Feet as a Private Capitalist**

## **April 4<sup>th</sup>**

***Final Presentations***

**GUEST Alumnus: Devon Bostock, Duke '11, MMS '12, VP, Comerica Venture Bank**

**How banks look at venture investing: view from the credit lens (and how this sharpens you as an equity investor)**

**April 11<sup>th</sup>**

***Final Presentations***

**April 18<sup>th</sup>**

**Career Day: Where Do You Go From Here?**

***Final Presentations & Awards Ceremony***