Entrepreneurial Project Rules:

1. Each student in the class will play a dual role. You will be an entrepreneur who is trying to convince venture capitalists to invest into your new company, and you’ll be a venture capitalist who can invest in other people’s companies. You play the first role as a member of your team, and you play the second one individually.

2. Each group must present a budget in terms of the venture capital funding you are trying to raise.

3. The minimum amount of funding is $3M. If you think that you need less than $3M in funding, the scope of your project is not ambitious enough, and you need to increase it. When estimating the budget for your project, you should consider the cost of labor (salaries plus fringe benefits), marketing, rent, and other expenses. Also take into considerations some possible setbacks (your developers might quit, or you might have to fire someone for incompetence or bad work habits).

4. Each individual student in the class will assume having $1M in virtual venture capital money, and you can invest the money any way you like.

5. You cannot invest money into your own team’s project.

6. You can invest any amount of money into any project but your own.

7. In the end, you must have used all the money ($1M).

8. Once you have allocated money for a particular project, you can’t take it back.

9. Each team will designate a Chief Financial Officer (CFO), who will keep track of the investments.

   All the financial records will be kept public at: https://secure.hosting.vt.edu/www.moodle.cs.vt.edu/mod/wiki/view.php?id=2299&page=Entrepreneurial+Project+Pages&thankyou=1

   CFOs should advertise their e-mail address on their projects’ WIKI pages and also update the information about the incoming investments regularly.

10. Once the funding goals for a project are met, the CFO must stop accepting further investment offers.

11. In addition to the financial records, the project WIKI page will also contain a business plan and any other supporting materials (e.g., screen shots). All the financial information must be displayed right on the project WIKI front page rather than inside any other documents linked from it.

   For example:
   Project title: “Some Project Title”
   Team members:
   Business Plan:
   CFO e-mail is ...
   Funding target: $3M (for example).
   Funds raised so far:
   Venture capitalist #1:
   Venture capitalist #2:
   Venture capitalist #n:
   Total:
12. After you have invested all the venture capital money ($1M), please send me an e-mail outlining how exactly you’ve allocated the funds.

**Grading:**

1. Each group can earn 20 points maximum for the entrepreneurial project (which does not correspond to 20% of your final grade, btw).
2. For each earned million in funding, you are getting 5 points. (For example, if you raised $2M, you get 5*$2M=10 points. Notice that if you are really ambitious and define the funding target as $4M and successfully meet this goal, you can get 20 points right there).
3. I can choose to invest up to $1M into your project, giving you another 5 points.
4. Based on the quality of your business plan and any other supporting documents you provide, I can give you up to 5 additional points, but not to exceed 20 points in total).