

Stanford/NVCA Venture Capital Symposium

March 13-14, 2018

Location: Stanford University

AGENDA

DAY 1

- 4:30pm Registration**
- 5:00pm Cocktail Networking Reception**
- 6:00pm Dinner and Keynote #1: Joe Jacob**
-

DAY 2

- 7:15am Registration and Breakfast**
- 8:00am Keynote Address #2: Softbank**
- 9:00am Staying Out of Trouble: Fiduciary Duties and Conflicts of Interests in Venture-Backed Companies**

Conflicts of interest at venture-backed companies are common but can usually be managed to avoid or minimize litigation risk. The key is to recognize and confront the conflict, not to hide from it. This expert panel will review the myriad conflicts arising within venture-backed boards and offer practical, state-of-the-art techniques that can help eliminate or minimize this high-risk exposure.

- 10:00 am Breakout Sessions**

1) Securities Law Risk for Privately Held VC-Backed Firms

Constant pressure for growth combined with an urge to “move fast and break things” has drawn attention from the SEC, the Department of Justice, and other

regulatory agencies. The SEC's recent enforcement action against Zenefits, controversies involving Uber, and reports of conduct at Theranos all highlight the extent to which VC-backed firms can wind up in litigation environments that some VCs mistakenly think afflict only publicly traded firms. Efficient compliance is the solution, and this session explores techniques that can help minimize this exposure, and strategies for responding to government interest if a problem arises.

2) Managing a Fund: Things You Don't Think About Until They're a Problem

Managing a venture capital fund often involves complex challenges that aren't obvious at a fund's inception. This session addresses several of these issues, including:

- a. Recycling capital;
- b. Reserve planning for follow-on investments;
- c. Crossover investments between funds;
- d. What to do at year 10 and beyond in a 10-year fund; and
- e. Allocation and vesting of carry within the VC partnership.

3) Death of the IPO

The number of venture-backed IPOs has declined precipitously from its late 1990's peak, and smaller-cap IPOs are virtually extinct. Meanwhile, venture-backed firms can remain private at higher valuations for longer than ever before. These conditions, combined with developments in the M&A market, fundamentally alter the calculus of the IPO decision. This panel will analyze the go-public/stay-private debate, address regulatory modifications that might invigorate the IPO market, and describe potential innovations in the going-public process, including direct offerings and SPACS (Special Purpose Acquisition Vehicles).

11:00am Break

11:30am Creating a Diverse & Inclusive Workplace

Allegations of sexual harassment have rocked the venture capital community. Every VC firm has to confront gender-related challenges at both the VC level and within each portfolio company. This session reviews best practices for addressing these important challenges, and emphasizes strategies that combat harassment and promote cultures of inclusion and respect. This session will also review sample H.R. policies and best practices developed by NVCA in consultation with leading VCs, legal, HR, and employment experts.

12:30pm Lunch and Keynote #3: TBD

2:00pm **Is Your Unicorn Really, Really, Really a Unicorn?**

Professor Ilya Strebulaev of Stanford's Graduate School of Business has conducted groundbreaking research on the valuation of unicorns. His work, featured in numerous leading publications, documents that "headline" valuations commonly overstate a unicorn's true value. In this session, Professor Strebulaev explains his methodology and findings, and offers practical advice that VCs can apply when evaluating complex financing alternatives.

2:30pm **Latest Trends in Portfolio Company Pricing & Valuation**

Market trends in the venture capital industry are continuously evolving, and good data can be hard to find. Panelists will explore the art and science of pricing and valuation, and will also discuss performance of VC funds and offer predictions for the future.

3:00pm **Breakout Sessions**

1) When the Stuff Hits the Fan

As every VC knows, many more deals fail than succeed. This session addresses the challenge of managing failure efficiently. Among the topics addressed will be techniques for replacing a founder-CEO; methods for negotiating down rounds or insider-led financings; and strategies for selling portfolio companies that have not lived up to expectations.

2) ICOs as an Alternative to Venture Capital?

Entrepreneurs and venture capitalists are increasingly intrigued by the possibility that ICOs might evolve to become a financing source that avoids or reduces the need to engage with traditional VCs in traditional VC-style financings. This session explores developments in the ICO market and considers whether ICOs are, or can become, a material threat to the traditional VC model. The discussion implicates complex questions relating to legal regimes, financing structures, and the evolution of blockchain technology.

3) Best Practices for Directors of Venture-Backed Companies

This session will address:

- a) How to prepare for and run an effective board meeting;
- b) Assembling a venture-backed company board, including the role of independent directors;
- c) Employee-director communications;
- d) When directors should excuse themselves from the boardroom; and
- e) Managing observer rights.

4:00pm **Break**

4:30pm Breakout Sessions

1) LPs Tell It Like It Is

What types of funds are LPs looking for, and how do they currently evaluate fund managers and venture firms? What mistakes do VCs make when relating to potential LPs? How can VCs build healthy long-term relationships with LPs? This panel will offer an LP perspective on fund terms, evaluation of GPs, allocations to the VC sector, and longer-term outlooks.

2) Trends and Best Practices in CVC

Corporate venture capital (CVC) is playing an increasingly active role in the venture ecosystem. This panel will address establishing strategic and financial goals, determining leadership within the corporate structure, identifying investment committee participants, reviewing strategies for investing in innovation, and integrating business units on a national and global scale.

5:30pm Cocktail Reception