

## Thursday, Feb 14: Horizon Communications

1. Would you have started this company? Would you invest in this company? Why or why not? What do you think of the economics of the idea? Of the management team? How does this investment differ from that in Technical Data Corp.
2. What pre-money value would you place on the company? I.e., what value should the Horizon team place on the company when they try to raise money? How much money should they attempt to raise?
3. How should Horizon approach their fundraising process? Should Horizon go to a venture capital firm or to family and friends? If Horizon decides to go to a venture capital firm, which firm or firms should they target?
4. Can a venture capitalist add value to the Horizon team? How?

Assume:

- . Horizon's marginal tax rate is 36%
- . Expected inflation is 3%.