Imagine selling $2 million "worth" of Google stock and only receiving $50 in return? This scenario happens every day for venture-backed companies. Failure to quickly understand high-growth company valuation can cost trillions of dollars. Yet very few leaders involved in a venture-backed company have a definitive understanding of how valuation techniques are being applied to their financial statements and the decision-making process. Featuring extensive case studies of high-profile corporations, including Facebook, Twitter, and Microsoft, Venture Capital Valuation provides the knowledge and techniques necessary to understand and value high-growth companies.

Sharing his twenty-year track record helping thousands of investors, practitioners, and entrepreneurs measure and realize high-growth venture, author Lorenzo Carver draws on real-world cases from investors, founders, and advisors to illustrate how each corporation was impacted by valuations. By putting these techniques into a context and framework, Venture Capital Valuation simplifies them so that anyone founding, running, and investing in these innovative companies can apply them immediately.

Featuring a companion website where readers can access and download additional case study material, as well as different valuation materials mentioned throughout the text, Venture Capital Valuation explores:

- Why what you don't know about valuation will cost you money
- How VCs, angels, founders, and employees give up investment cash flow every day
- Facebook at $80 billion valuation versus Enron at $80 billion valuation
• Deal terms, waterfalls, and the pre-money myth

• Whether venture-backed companies should even consider a discounted cash flow (DCF) model

• Separating enterprise value from the allocation of that value

• Valuing total equity Using Future Value (FV) and Present Value (PV) to value future cash flows today

• Why applying the typical DCF model to a venture-backed company hardly ever works

• "Enterprise Value" + "Allocation Methods" = Value Destruction

• Undervaluing companies and overvaluing employee options

• Why you should D.O.W.T. (doubt) venture capital returns

• 409A valuation professionals discussing topic 820 (FAS 157) with VC CFOs

An invaluable resource for anyone who wants to make the most out of their investments, Venture Capital Valuation shows business appraisers and venture capitalists how to maximize their returns and avoid losing money before the damage becomes irreparable.

ABOUT THE AUTHOR

LORENZO CARVER, MS, MBA, CVA, CPA, is CEO of Liquid Scenarios, a technology-based financial business intelligence solution company that provides services to investors, practitioners, entrepreneurs, and academics on how to measure and realize high-growth venture value. Carver has a twenty-year track record of helping thousands of clients understand how to measure and realize high-growth venture value. He is the author and developer of BallPark Business Valuation, the #1 selling, award-winning small-business valuation solution software covered by Bloomberg Businessweek, Entrepreneur, CPA Software News, The Kim Komando Show, and business journals worldwide.

SERIES

Wiley Finance

For additional product details, please visit https://www.wiley.com/en-us