

# How to Teach Transactional Law

The entrepreneurial spirit is alive and well among faculty designing courses to engage law students, as well as students from other disciplines, in thinking about using legal skills to add value to entrepreneurial ventures. The courses in this section of the website are relevant to lawyers intending to become or to represent entrepreneurs, entrepreneurial enterprises, or venture capitalists. The material in these courses ranges over a number of areas of substantive law and skills training methodologies. Various courses have combined these materials in different ways, ranging from doctrinally-driven classroom courses through full-scale simulations.

These courses in this section of the website are primarily transaction-based, rather than litigation-based. This section does not include standard substantive law courses, like the basic courses in contracts, business organizations, or intellectual property law. Clinical courses, in which there is live client representation, are covered in other sections of this website. However the seminar portions of many clinics contain highly relevant readings and conceptual focus. Several examples of such syllabi have been included here.

The courses included in this section represent examples of the main types of courses designed to teach the representation of entrepreneurs: clinic seminars, "life cycle" courses, simulation courses, "deals" courses, and law & business courses. In addition, there is a section on "Instructors Notes" which provides some helpful examples of specific exercises or classroom discussions.

## I. Types of Courses

Clinic seminars discuss a variety of the substantive issues that entrepreneurs typically confront. Contract drafting and negotiation, basic finance concepts, employee compensation and stock options, and protection of intellectual property are usual subjects for a broad survey course. Courses geared towards particular industries, like biotechnology, will include more specific discussion of relevant regulatory requirements. See, for example, [\*Entrepreneurship Legal Clinic, SBC Professor Gouvin Spring 2003\*](#), and [\*Creativity and Innovation Clinic\*](#) posted in this section.

"Life cycle" courses approach the representation of entrepreneurial enterprises through an examination of the various stages through which an enterprise may evolve. A course like this may start with the identification of the entrepreneurial concept, and proceed through several stages and types of financing, strategic partnerships, the decision to go public, and exit strategies. See, for example, [\*Entrepreneurial Finance Course\*](#) and [\*Entrepreneurship Law\*](#) posted in this section.

Simulation courses can take a variety of forms, but generally explore selected issues through the use of simulated client representation. These courses can involve intensive out-of-class assignments in a way similar to a clinical course but without live client representation. See, for example, [\*Business Transactions Planning\*](#) posted in this section.

Deals courses generally involve in-depth analysis of various transactions, identified either by substantive criteria or by focus on particular skills involved. See, for example, for the former, [\*Intellectual Property in Business Organizations\*](#) and for the latter, [\*Deals Workshop\*](#), posted in this section.

Interdisciplinary courses introduce law students to other disciplines. A typical relevant course of this type is Corporate Finance offered as part of the law school curriculum. Interdisciplinary courses also can be taught to students from more than one school. The most common examples are courses taught to both law and business students simultaneously. Other examples include courses taught to both law and engineering students. See, for example, [\*Entrepreneurship and New Venture Creation\*](#) and [\*NUVenture: Medical Innovation\*](#) posted in this section.

In these courses, the exploration of issues relating to entrepreneurship is enriched by the different skill sets and perspectives brought to the course by the students as well as the faculty. The courses are designed to bring together teams of the type that will typically be assembled in actual transactions. An important goal of these courses is to enable students from each discipline to understand the value added that the other discipline brings to the discussion. A particular example of a law & business course, [\*Professional Responsibility: Law and Business\*](#), is posted in this section.

## II. Teaching Methodologies

Courses in this area are well-suited to the use of problems, case studies, and simulations, and sometimes in combination with standard doctrinal study. These courses also utilize a variety of grading metrics.

In using case studies and simulations, teachers in this area use a significant number of negotiation and drafting exercises. In representing an entrepreneur, the lawyer is often one of the only, if not the only, professional advisor to the client. Case studies allow the professor to guide the development of business or technical literacy in the business of the case. Negotiating exercises allow the students to learn the hard lessons of preparation and flexibility in a controlled environment. Drafting is, of course, a primary role for lawyers in any transactional setting, and again, in the context of a case or simulation, requires the students to demonstrate their substantive legal knowledge as well as their ability to embed the business deal in the documents while abiding by client instructions or a negotiated outcome.

Some teachers use significant oral presentations in addition to written work product. Historically, the development of presentation skills, like those necessary for a Board of Director's presentation, has been more common in Business than Law schools. These presentation skills are not in the form of the "oral argument" that most law students are exposed to, but represent transaction analyses and advice preparation. Since the goal of these courses is to inculcate combined law/business thinking in the students, presentations of this kind become part of the students' tool kit.

Courses which are transaction-oriented often use a combination of individual presentations and group or team assignments. Again, team assignments are not common in traditional law school curricula. In addition to requiring students to develop their interpersonal skills, students are made to appreciate and understand other points of view in a circumstance where there are shared interests.

Outside visitors and guests lecturers are used in many of the courses described. These guests should be embedded in the discussion and actively participate, rather than simply lecture. In transactional analyses, guests who have "done" the type of deals - or the very deal - under discussion add important dimensions to the value that lawyers can bring to the table. Students respond enthusiastically to entrepreneurs and venture capitalists who will talk about the roles their lawyers played. On the other hand, classroom guests should usually be rare. The value of a guest is enhanced when the students are substantively prepared, the guest is focused on the topic of the class session or sessions, and the professor has time to "debrief" the students afterwards. For courses that use simulations, guests are often happy to participate by taking on roles in the simulation outside the classroom.

### III. Grading

The courses in this section use a variety of grading rubrics, but a few generalizations are possible. In-class exams are quite rare, and are best used if there is a substantive law component that can be tested in a traditional way.

Most of these courses use several different evaluative mechanisms to compile a grade. While the weight attributed to these mechanisms varies with the structure of the course, class participation, final product (which can be a paper, a business plan, a drafted set of documents) and oral and/or team presentations are usually included.

Many professors use the background memo or weekly journal as an evaluative tool, particularly where team projects constitute a large part of the grade. These memos provide a window into the group dynamics as well some guide on how the workload was shared.

The journal mechanism also enables the professor to evaluate student progress or growth over the course. This is particularly useful where students enter the course with widely differing levels of sophistication. While prerequisite courses are commonly used to establish a baseline level of substantive competence, such courses will not alone eliminate the differences among student knowledge or, more particularly, experience.

#### IV. Classroom Materials

Again, a wide variety of materials are used by people teaching the courses listed in the section. Many use a combination of textbooks, supplemented by articles (both scholarly and journalistic), pre-available cases, real life examples and self-created materials. The syllabi posted contain the readings, where available. Other sources of materials include case studies prepared for and by business schools, which very often contain rich legal issues not identified by the authors.

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