

EEE 5113  
**Entrepreneurship & Venture Management**  
Spring 2010

MBA Program  
School of Entrepreneurship  
Spears School of Business  
Oklahoma State University

**I. Instructor**

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**II. Contact Information**

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**III. Course Prerequisites**

Graduate standing at Oklahoma State University

**IV. Course Overview**

Welcome to the new competitive age. The business world in which you will manage people and organizations is not the one of your parents or grandparents. It is a world defined by dramatic change and high levels of ongoing turbulence, which means both more threats and more opportunities are confronting every business. A major result is that the new competitive landscape is characterized by a global **entrepreneurial revolution**. Today, the essence of competitive advantage does not lie in traditional areas such as low cost or high quality. Rather, competitive advantage is defined in terms of speed, innovativeness, adaptability, flexibility, and aggressiveness. In short, advantage comes from being more entrepreneurial than the competitor. Hence our focus in this course is entrepreneurial management.

The course is meant to serve an integrative role, bringing together all the pieces and parts of business. The challenge in business today is to move away from functional silos and adopt an innovative, cross-functional approach to problem-solving. Consistent with this challenge, our focus will be on entrepreneurship, or the “pursuit of opportunity without regard to resources currently controlled”. There is no aspect of business that is more inter-disciplinary and **cross-functional** than entrepreneurship. We will explore how something is created from nothing, in the process examining the interface between entrepreneurship and marketing, economics, technology, financing, logistics and operations, human resource management, ethics, and other key areas.

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Further, this is a course that explores ways of thinking and ways of acting. Accordingly, we shall approach entrepreneurship as a **mindset**, an attitude, a way of managerial thinking. We shall also approach it as a behavior, an activity, a manageable process that can be applied in any organizational context. And ultimately, we shall try to convey entrepreneurship as a philosophy of life---as a philosophy for your life.

The course explicitly addresses a common criticism directed at MBA students and programs. Concerns are frequently raised that graduate students and programs are strong on theory and strategic thinking, but short on the practical issues surrounding the **implementation** of these strategies and the pragmatic application of theories and concepts. As such, this is a course on implementation. The central focus will be on the business plan, where you not only have to come up with an innovative concept or idea, but you have to address implementation issues. You will also be responsible for addressing implementation issues as they apply to a series of cases.

My challenge to you is to use this course to explore your own approach to management. You will be doing something entrepreneurial, as it is the central requirement of the course. So, make it something truly innovative---something that makes **a difference**. Define yourself as an agent of change.

## **V. Course Objectives**

This is an overview course on the principles entrepreneurship for graduate students. It is designed introduce students to some of the core concepts and tools used to increase the likelihood of organizational success in launching and running new ventures both in the for-profit and non-profit sectors. Specifically, the course will focus on a number of learning objectives. Upon completion of the course, you should be able to:

- Recognize your own entrepreneurial potential and how that potential can be applied in a variety of professional contexts;
- Appreciate the critical role of entrepreneurial management in achieve sustainable competitive advantage in the contemporary business environment;
- Approach managerial problems and opportunities from a more entrepreneurial perspective;
- Understand the nature of the entrepreneurial process and the many contexts in which that process applies;
- Apply ideas and insights from a variety of disciplines and functional areas to the process involved in creating innovative concepts and new ventures;
- Appreciate the requirements surrounding the creation of a new venture, the kinds of obstacles encountered, and approaches for overcoming those obstacles;
- Critique innovative concepts and ideas and the underlying opportunities that give rise to those venture ideas;
- Appreciate and master the issues surrounding implementation of an entrepreneurial idea;
- Demonstrate a mastery of resource leveraging and guerrilla management skills;
- Engage in reflective thinking and creativity in addressing problems that surround an entrepreneurial initiative.

To help you achieve the above objectives, and hone your entrepreneurial judgement, we will use a combination of pedagogical approaches: (1) class lecture on key theoretical concepts, tools, and management approaches to entrepreneurship and their application in organizations; (2) class discussion of aforementioned topics and business cases; and (3) writing an entrepreneurial business plan. There is a lot of emphasis on learning by doing. The more you put into this course, the more you get out of it. Through the cases and business plan development you will be exposed to a variety

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of strategic situations, and these situations will allow you to use your knowledge, talents, judgements, and skills. By their very nature, the cases and business plan are very ambiguous. Problems are multifaceted and there are typically no “right” answers.

## VI. Texts and Supplemental Materials

- 1) Bygrave, W.D. and A. Zacharakis, *The Portable MBA in Entrepreneurship*, Third Edition, Wiley Publishing.
- 2) Morris, M.H., *Entrepreneurial Intensity*, Quorum Books.
- 3) Nuts and Bolts of Great Business Plans published by OSU Entrepreneurship Program.
- 4) D2L Posted Readings

## VII. Evaluation of Student Performance

Class Participation/Contribution	10%
Midterm Exam	20%
Case Presentation	10%
Business Plan	40%
Final Exam	<u>20%</u>
	100%

Scale: A 100-90  
B 90-80  
C 80-70  
D 70-60  
F < 60

## VIII. Class Participation

You are expected to come to class having read the assignments, and play an active in the discussions that take place during class periods. This means reflecting on the readings, and preparing all cases in advance. The issue is the quality of your contribution more than the quantity. Participation/contribution includes asking questions, answering questions, agreeing or disagreeing with points made by the instructor or your peers, insights provided regarding the assigned cases, examples that you bring into class from your own life experiences that relate to issues we are discussing, and so forth.

## IX. Team Activities and Structure

You will form teams for the purpose of developing a solving a case and preparing a business plan. The case teams will be a maximum of three people. The business plan teams will be a maximum of four people. All team members will participate in all group activities, and all will receive the same grade for the case or business plan.

## X. Case Preparation

Cases are real world contexts where students have an opportunity to figure out what the real problem or challenge is, and then come up with practical solutions for addressing this problem or challenge. An outline for a case analysis is presented at the end of the syllabus. You will all be responsible for every

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case. But individual teams of three will be responsible for putting together a presentation for each case. I would strongly encourage each team to meet with me at least three times prior to presenting their case solution. A typical case involves about thirty hours of preparation time by the team.

## **XI. Business Plan Project**

Each team is required to write a business plan for a business venture of your choosing. No bars, restaurants, or businesses targeted to students are acceptable. Lecture material, business plan outlines, and other tools will be provided to you throughout the semester for you to successfully develop your business plan. Your business plan will be written with the quality and detail one would expect as it would be submitted to potential investors. It must follow the outline provided in the Nuts and Bolts of Great Business Plans, which will be handed out to you and also posted to D2L. Your plan must be original, logical, integrated, comprehensive, supported by evidence, readable, and defensible.

## **XII. Teaching/Learning Style**

The course will involve a discussion format with extensive interaction between students and the instructor. The teaching style will mix core content with practical applications. Students will be challenged to grasp a concept or idea, relate it to other concepts, and then apply it in real-world entrepreneurial contexts.

## **XIII. University Policies**

### Drop Policy

See the most recent OSU catalog at:

<http://www.okstate.edu/registrar/AcademicCalendar/AcademicCalendarMain.html>

### Academic Integrity

The University has a strict policy on academic honesty. You are expected to abide by the procedures set forth in the document in all matters pertaining to this course. For more information, please go to:

<http://www.okstate.edu/ucs/integritystudent.html>

### Special Accommodations for Students

Any student in this course who has a disability that may prevent him or her from fully demonstrating his or her abilities should contact the instructor as soon as possible, so we can discuss accommodations necessary to ensure full participation and facilitate your educational opportunity. For more information about OSU Student Disability Services, please go to: <http://www.okstate.edu/ucs/stdis/>

## **XIV. Other Interesting/Helpful Resources**

(see also the EEE Program website at <http://entrepreneurship.okstate.edu>):

### a. Journals and Websites

Inc. Magazine  
Fast Company Magazine  
[www.entrepreneurmag.com](http://www.entrepreneurmag.com)  
<http://startup.wsj.com>  
[www.entreworld.com](http://www.entreworld.com)  
<http://stvp.stanford.edu/>

Entrepreneur Magazine  
Journal of Business Venturing  
Entrepreneurship Theory and Practice  
Journal of Small Business Management  
Journal of Developmental Entrepreneurship  
Black Enterprise

### b. Some Selected Books

*The Four Routes to Entrepreneurial Success*

*The Individualized Corporation*

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*The Creative Priority*  
*Circle of Innovation*  
*Relentless*  
*Successful Strategies Entrepreneurs Use...*  
*Competing for the Future*  
*Blur*  
*The Marketing Imagination*  
*Competitive Advantage*  
*The Popcorn Report*  
*The Change Masters*  
*Intrapreneuring*  
*The Soul of a New Machine*  
*Zen and the Art of Motorcycle Maintenance*  
*A Whack on the Side of the Head*  
*Inside Corporate Innovation*  
*Creativity at Work*  
*The "E" Myth Revisited*  
*Flash of Brilliance*  
*The Age of Unreason*  
*Entrepreneuring in Established Companies*  
*Losing My Virginity*  
*Angel Investing*  
*New Venture Creation*  
*The Venture Capital Cycle*  
*The Venture Café*  
*Funding and Financial Execution*  
*for Early-Stage Companies*  
*A Good Hard Kick in the Ass*  
*The Profit Zone*  
*Bankable Business Plans*  
*Blink*  
*Rise of the Creative Class*  
*Outrageous Marketing*

*The Maverick Mindset*  
*Real Time*  
*Leadership Jazz*  
*Crossing the Chasm*  
*Innovation that Fits*  
*Leading the Revolution*  
*Corporate Innovation: Marketing and Strategy*  
*Only the Paranoid Survive*  
*The Empty Raincoat*  
*Mavericks at Work*  
*Entrepreneurship as Strategy*  
*Maverick*  
*Thriving on Chaos*  
*Disruption*  
*Cracking Creativity*  
*Barbarians to Bureaucrats*  
*Growing a Business*  
*Future Perfect*  
*Imaginization*  
*The Icarus Paradox*  
*Why Should White Guys Have All The Fun*  
*Will It Fly?*  
*Venture Capital Due Diligence*  
*Good to Great*  
*Attracting Capital from Angels*  
*Structuring Venture Capital, Private*  
*Equity and Entrepreneurial Transactions*  
*Radical Marketing*  
*Seeing Differently*  
*Purple Cow*  
*Clearing the Hurdles*  
*Radical Innovation*  
*The New Business Road Test*

**XV. Course Schedule and Assignments** (Note: We may move at a faster or slower pace depending on student comprehension and interest levels in particular topics).

**KEY:** EI = *Entrepreneurial Intensity* text  
 MBA = *Portable MBA in Entrepreneurship* text  
 All cases are on the D2L website

<b>Week 1</b> <b>Jan. 11-15</b>	<b>Topics: Introduction; Defining Entrepreneurship; What is Entrepreneurial Thinking? ; What is Entrepreneurial Management?; Entrepreneurship in Any Context; The Entrepreneurial Process; Entrepreneurial Intensity</b>
	<b>Reading Material:</b> ⇒ EI Text, Chapters 1 and 2
	<b>Assignments:</b> ⇒ Form teams for cases and separately for business plans; select cases

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<b>Week 2</b> <b>Jan. 18</b> <i>(note: it is Martin Luther King Day and we don't meet--but you are responsible for the readings )</i>	<b>Topics: “Who” is the Entrepreneur?; Traits versus Skills versus Cognitive Styles; The Different Types of Entrepreneurs; Nature versus Nurture-Why Entrepreneurs are not Born; The Role of Individuals vs. Teams; Creativity and the Entrepreneur;</b>
	<b>Reading Material:</b> ⇒ EI Text, Chapter 4 and 6 and MBA Text, Chapter 1
	<b>Assignments:</b> ⇒ Business concept, company name, logo submitted next class (due January 25)
<b>Week 3</b> <b>Jan. 25-29</b>	<b>Topics: How Opportunity Differs from Business Concept; Sources &amp; Types of Opportunity; Discovery vs. Search; Finding Emerging Opportunities; Opportunity Assessment; Factors Undermining an Opportunity; Windows of Opportunity; The Business Concept; Sources of Concepts; What Makes for a Good Concept</b>
	<b>Reading Material:</b> ⇒ EI Text, Chapter 3 and MBA Text, Chapter 2
	<b>Assignments:</b> Case: IceDelights
<b>Week 4</b> <b>Feb. 1-5</b>	<b>Topics: From Product to Business Concept (the Value Proposition); From Business Concept to Business Model; From Business Model to Business Plan; Components of a Complete Business Model; A Look at Successful and Failed Business Models; Understanding How to Put Together a Great Business Plan</b>
	<b>Reading Material:</b> ⇒ MBA Text, Chapter 4 and the “Nuts and Bolts of Great Business Plans” ⇒ D2L Posted Reading
	<b>Assignments:</b> Case: Eastwind Trading Company
<b>Week 5</b> <b>Feb. 8-12</b>	<b>Topics: The Economics of the Business; Your Economic or Profit Model; Getting to Breakeven; Multiple Revenue Drivers; Volume and Capacity; Venture Types; What it Takes to Actually Start a Venture; Four Ways to Enter a Market;</b>
	<b>Reading Material:</b> ⇒ D2L posted reading
	<b>Assignments:</b> Case: Golf Swing Analyzer
<b>Week 6</b> <b>Feb. 15-19</b>	<b>Topics: Understanding More about the Market; Market Definition; Estimating Market Size; A Look at Buyer Behavior; Segmenting and Targeting; Competitive Positioning</b>
	<b>Reading Material:</b> ⇒ MBA Text, Chapter 3
	<b>Assignments:</b> Case: Space Data Corporation

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<b>Week 7</b> <b>Feb. 22-26</b>	<b>Topics: What About the Investment Model (Income, Growth, or Speculative)?; Ways of Extracting Returns from the Venture; The Concept of Risk; Types of Risk; Assessing Risk in a New Venture; Risk and Return; A Look at Resources and Resource Acquisition Strategies;</b>
	<b>Reading Material:</b> ⇒ MBA Text Chapter 8
	<b>Assignments:</b> Case: Zipcar
<b>Week 8</b> <b>March 1-5</b>	<b>Midterm Exam</b>
	<i>Note: a review session will be available if students desire</i>
<b>Week 9</b> <b>March 8-12</b>	<b>Topics: Putting Together Pro-Forma Financial Statements; Understanding the Basics of How Ventures Get Financed</b>
	<b>Reading Material:</b> ⇒ MBA text, Chapters 5 and 7
	<b>Assignments:</b> Case: Three Fish Solutions
<b>March 15-19</b>	SPRING BREAK
<b>Week 10</b> <b>March 22-26</b>	<b>Topics: More on Venture Financing; Valuation and Its Role; Structuring the Deal, IPOs; Intellectual Property</b>
	<b>Reading Material:</b> ⇒ MBA Text, Chapters 6 and 10
	<b>Assignments:</b> Case: Honest Tea
<b>Week 11</b> <b>March 29-April 2</b>	<b>Topics: The Marketing Mix; Organizing the Selling Model; Guerrilla Thinking and the Promotional Mix; How to Set Prices in New Ventures; Making Distribution Decisions</b>
	<b>Reading Material:</b> ⇒ MBA Text, Chapters 3 and 12; EI Text, Chapter 10
	<b>Assignments:</b> Case: Young Designers Emporium

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<b>Week 12</b> <b>April 5-9</b>	<b>Topics: Operations and the New Venture; Designing Your Operating Model; Bottlenecks and How to Manage Them; Suppliers and Inventory Policies; Outsourcing Options; Logistics; Quality Control Issues; Customer Support</b>
	<b>Reading Material:</b> ⇒ D2l posted reading
	<b>Assignments:</b> Case: Dragonfly
<b>Week 13</b> <b>April 12-16</b>	<b>Topics: Innovation, New Product Development, and the Entrepreneur; Technology Life Cycles; Disruptive versus Sustaining Technology; Four Technology Decisions Entrepreneurs Have to Make</b>
	<b>Reading Material:</b> ⇒ D2L posted readings
	<b>Assignments:</b> Case: Calyx and Corolla
<b>Week 14</b> <b>April 19-23</b>	<b>Topics: What's Different about Family Businesses; The Challenges of Succession; A Look at Issues in Venture Growth; Why Many Ventures Do Not Grow; Venture Life Cycles and Their Implications; Legal Issues</b>
	<b>Reading Material:</b> ⇒ MBA Text, Chapters 13 and 9 and EI Text, Chapter 7 ⇒ D2L Posted Reading
	<b>Assignments:</b> Case: New Belgium Brewery
<b>Week 15</b> <b>April 26-30</b>	<b>Topics: Ethics and the Entrepreneur; The Unique Ethical Challenges in Entrepreneurial Ventures; What Does Your Ethical Compass Look Like? Why the Entrepreneur's Exit Strategy Matters; Types of Exit Strategies</b>
	<b>Reading Material:</b> ⇒ MBA Text, Chapter 14 and EI Text, Chapter 9
	<b>Assignments:</b> ⇒ Business Plan Due on April 30 by 5:00 PM
<b>Rest of Life</b>	Think Entrepreneurially!

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# GENERAL OUTLINE FOR A CASE ANALYSIS & PRESENTATION

Michael H. Morris, Ph.D.

## I. Introduction

- introduction of team members
- rules of the game/scenario
- central issue of the case
- outline of presentation

## II. The Current Situation (*not to be presented but should be completed by team*)

- a. The Industry
  - definition
  - size and growth rate
  - stage in life cycle
  - structure (Porter)
  - value-added chain
  - key sources of differentiation
  - key trends
  - key success factors
- b. The Company
  - history
  - organizational form
  - structure
  - goals
  - strategies
  - key resources and competencies
    - managerial
    - financial
    - marketing
    - R&D/product development
    - human resources
    - production
- c. The Business Concept and Product/Service Mix
  - critique of the business concept
  - key product attributes
  - core/tangible/augmented product
  - depth and breadth of line
  - portfolio analysis
  - product positioning
- d. The Economics of the Business
  - breakeven analysis/contribution analysis
  - operating leverage
- e. The Market
  - definition
  - size and untapped demand
  - buyer descriptors and behavior
  - market segmentation
  - key factors affecting market
- f. The Competition
  - direct and indirect
  - strengths and weaknesses
  - apparent strategies
- g. Marketing Issues
  - price strategy and structure
  - the communications mix

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- personal selling
  - advertising
  - sales promotion
  - publicity
  - distribution strategy
    - channels and their management
    - logistics and customer service
- h. Production/Operations Issues
  - facility and equipment requirements
  - production/operating cycle
  - technology issues
  - quality control issues
- i. Financing Issues
  - what is needed
  - critique of available sources
  - payback to investors
- j. People Issues/Human Resource Management
  - evaluation of the team
  - boards and advisors
  - compensation and evaluation issues
  - training issues
- k. Significant Factors in the Macroenvironment
  - economic
  - social
  - technological
  - legal/regulatory

**III. SWOT Analysis** *(to be handed out and then presented in less than 2 minutes)*

- strengths
- weaknesses
- opportunities
- threats

**IV. The Central Issue in the Case** *(should be obvious how this is derived from the SWOT)*

**V. The Key Strategic Alternatives Open to the Firm** *(four or five different directions they could go)*

**VI. Pros and Cons of Strategic Alternatives**

**VII. Recommended Strategy**

**VIII. Implementation of Action Plan** *(from here on is 50% of the presentation. This is where teams lose the most points)*

- detailed action plan covering all major decision areas necessary to resolve the central issue and move forward
- implementation schedule
- budget

**IX. Tracking and Control**

- performance benchmarks
- schedule for tracking benchmarks

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