

UNIVERSITY OF WISCONSIN - MILWAUKEE
SHELDON B. LUBAR SCHOOL OF *BUSINESS*

492 Business Model of New Ventures, the precursor to formulating a winning business plan

Three Credit Course – Spring Term 2009

Class: Monday, 5:30-8:10 PM

Class Room: LUB S250

COURSE SYLLABUS

Instructor: Paul A. Stewart Office: BUS S445 Office Phone: (Not used) E-mail address:
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Course Description:

The course provides an introduction to Business Modeling of New Ventures. This course will explore and review the elements necessary in developing the business model for a new venture. The first step in creating a successful new venture is the formation of a business model, which transforms the idea of the entrepreneur into that of a profitable company. The entrepreneur must have the business model for his or her idea developed to the point to first prove to them themselves the idea will result in a sustainable business and second to the rest of the world (customers, capital sources, vendors, employees, etc...). A viable business model will not ensure success of the new venture, but without it, the business will fail.

Through highly active class participation, the student will be exposed to learning styles, motivation, and non-cognitive skills associated with entrepreneurial orientation. The course will utilize real life examples of businesses as case studies.

Course Objectives:

1. **Expose the student to the concept of business modeling**
2. **Develop in each student a level of skill and knowledge in formulating a business model**
 - Fixed vs. variable cost**
 - Investment capital**
 - Timing**
 - Customer/Supplier/Employee**
3. **Develop in each student the ability to communicate to professional investors**
4. **Enhance the ability of each student to speak before a group**
5. **Develop in each student the leadership skills necessary to manage an entrepreneur based company**

Role of the Student

1. Fun and enthusiasm.
2. Participation in class is extremely important. Questions, comments during lectures are welcome, invited, and encouraged. Each week we will explore certain aspects of business modeling. The student will prepare for the class by completing the assignments from the week before, which will include summarizing an article selected by the student on the topic assigned from the prior class. The summary will consist of listing the three key points, in order of importance, of each article. Each point should be no longer than one to three sentences. At each class the student will hand in the summaries (typed) along with a copy of the article chosen by the student. **Important:** Please include your name, class, and date, along with the title, author, and publication of the article you selected. The summary for the entire article should easily fit on one page. Reading assignments or changes in assignments, and exercises for the next class will be given at the end of the prior class (to facilitate greater discussion of a topic/concept). **Therefore, class attendance is very important**
3. A key aspect of the class will be the study of an actual venture backed company located in the Milwaukee area. The confidential investment document and financial projections and underlying assumptions will be provided during Class #4 as part of the assigned reading. This material will be referred to at several points during the semester. **Therefore, it is the responsibility of each student to bring the material to every class and complete the required assignments as given.**
4. Grading: The grading in the course is determined by several factors:
 - 40% - Student attendance, attitude, preparation and participation in class are critical to the learning experience. Unannounced quizzes may be given as part of assessing students' preparation for class.
 - 20% – Final paper covering the assigned reading, articles, and key elements discussed in class. The final paper will be the student's opportunity to illustrate the key learning elements of the class. Incorporated in the paper will be the student's self-evaluation of his/her participation throughout the semester.
 - 40% – Term Team Project.
 - Grade scale for the class will be as follows:
 - 92% = A
 - 90 up to 92% = A-
 - 88 up to 90% = B+
 - 82 up to 88% = B
 - 80 up to 82% = B-
 - 78 up to 80% = C+
 - 72 up to 78% = C
 - 70 up to 72% = C-
 - 68 up to 70% = D+
 - 65 up to 68% = D
 - 62 up to 65% = D-
 - 62 or less = F

Class # 1

Class Discussion – Overview of Business Modeling. Review and discuss entrepreneur's personal strategic planning.

Assignment – Student to prepare summary biography looking back from 2029 for Class #2.

Class #2

Class Discussion – Begin to develop an example Business Model of a manufacturing/process based company. Review and discuss student prepared biography.

Assignment - Student to research and select entrepreneurship article on the topic of early formation of a business for Class #3.

Class #3

Class Discussion – Review student selected articles. Introduce student to market and revenue concepts for a business model.

Assignment – Student to research and select entrepreneurship article on the topic of revenue and market aspects of a business for Class #4.

Class #4

Class Discussion – Review student selected articles. Develop revenue model for example business. Introduce students to actual venture backed company, Milwaukee Composites.

Team Project – Student to form groups of two. End of semester assignment will be the presentation of a Business Model to the class. The class will serve as the investor group.

Assignment – Student to research and select 2nd entrepreneurship article on the topic of revenue and market aspects of a business for Class #5. Read and study handout material on Milwaukee Composites.

Class #5

Class Discussion - Review student selected articles. Introduce students to cost of good sold model for example business. Discuss Milwaukee Composites and its Business Model.

Assignment – Student to research and select entrepreneurship article on the topic of cost of goods sold of a business for Class #6.

Class #6

Class Discussion – Review student selected entrepreneurship articles. Continue to review cost of goods sold business model for example business. Review the selling, general and administrative expenses for

example company.

Assignment – Student to research and select entrepreneurship article on the topic of selling, general and administrative expenses of a business for Class #7. Student to prepare mid-term self evaluation. Teams to prepare business description for project for Class #7.

Class #7

Class Discussion – Review student selected entrepreneurship articles.

Team Project – Presentation of each team's business description to the class for discussion and feedback.

Assignment – Student to research and select entrepreneurship article on the topic of the failure of a business. Teams to finalize business description for presentation during Class #8.

Class #8

Class Discussion – Review student selected articles. Explore why businesses fail, identify key reasons for failure. Present balance sheet modeling.

Team Project – Presentation of each team's finalized business description.

Assignment – Student to research and select entrepreneurship article on the topic of the success of a business.

Class #9

Class Discussion – Review student selected articles. Explore why businesses succeed, identify key reasons for success. Develop balance sheet model for example business, explore in detail working capital aspects of a growth business.

Assignment – Each team is to prepare the revenue portion of the business model for presentation in Class #10.

Class #10

Class Discussion – Continue to develop balance sheet model for example business.

Team Project — Each team to present to class the revenue portion of the business model.

Assignment — Each team to prepare the cost of goods sold portion of the business model for presentation in Class #11.

Class #11

Class Discussion — Review Business Model concept and various supporting elements.

Team Project — Each team to present the cost of good sold portion of the business model.

Assignment — Each team to prepare the selling, general and administrative portion of the business model for presentation in Class #12.

Class #12

Class Discussion — Continue to review Business Model concept.

Team Project — Each team to present the selling, general and administrative portion of the business model.

Assignment — Each team to prepare the balance sheet portion of the business model.

Class #13

Class Discussion — Continue to review Business Model concept.

Team Project — Each team to present the balance sheet portion of the business model.

Assignment — Each team to work on final presentation of business model.

Class #14

Class Discussion — Team Project Presentations.

Class #15

Class Discussion — Team Project Presentations. Review for final exam.

Final Paper — Will cover the key take aways from the class.