

Advanced Business Planning

Thursdays, 4:00 – 6:50 p.m.
Location: SC 180

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ENT 4114

Fall 2011

3 Credits

Course Description

This course focuses on the critical decisions and action steps that entrepreneurs must make in both planning and initiating a new venture. Students develop new venture implementation plans, and learn how to manage their execution.

Prerequisites: ENT 4024 with at least a "C" grade.

Corequisites: None.

Other Requirements: Junior Standing.

Student Learning Outcomes

- *Understanding of how to combine the functional requirements of a new venture into an integrated whole*
- *Skill at communicating a comprehensive business plan both verbally and in writing*
- *Ability to identify and schedule the activities needed to create a new business*
- *Competence in working well with others, such as peers, team members, and advisors*

Course Materials

- Barringer, B. (2009). *Preparing effective business plans: An entrepreneurial approach*. Upper Saddle River, NJ: Pearson Education.
- Reiss, B. (2009). *Bootstrapping 101*. Boca Raton, FL: R&R.
- Various cases. See the case list below. The R&R case is in *Bootstrapping 101*. All others can be downloaded through the FAU library website.

Grading

Unless otherwise noted, assignments are due *by email, one hour before class begins*. Email them to the instructor at castrogi@fau.edu. For online classes, the assignments are due by midnight that same day.

Presentations and quizzes are "due" during the class period when they will be given. **LATE ASSIGNMENTS WILL NOT BE ACCEPTED!**

The following table lists the assignment activities on which you will be graded, along with their corresponding point values.

Activity	Points
Team Activities:	
Feasibility Analysis	50
Business Plan (& Draft)	100
Business Plan Presentation	25
Strategic Plan	25
Individual Activities:	
Class Participation	25
10 Quizzes (worth 5 points each)	50
10 POPs (worth 5 points each)	50
YouTube Video Review	25
Elevator Pitch	25
Video Pitch	25
Total Points Possible	400

Final course grades will be determined according to the following scale:

- A = 370 or more
- A- = 360 – 369
- B+ = 350 – 359
- B = 330 – 349
- B- = 320 – 329
- C = 280 – 319
- D = 240 – 279
- F = 239 or less

Graded Activities

Team Activities. *Early in the semester, you will choose a new venture initiative to work on individually or with one or two other students. (If you work individually, that will be considered a "team" of one.) You can solicit team members by giving a brief description of your new venture idea to the class. The*

new venture idea that your team chooses to address will then form the basis of four team activities (Feasibility Analysis, Business Plan, Business Plan Presentation, and Strategic Plan) and two individual activities (Elevator Pitch and Video Pitch).

Feasibility Analysis. The feasibility analysis is described in detail in Chapter 3 of the textbook. Your team should follow the instructions in Appendix 3.1 on pp. 70-79 to perform your analysis. A set of guidelines paralleling Appendix 3.1 is provided on Blackboard, which you may use as a Word template. The document you submit should be 12-20, single-spaced pages, with the major headings and subheadings provided in those guidelines.

Business Plan. The Business Plan is a single-spaced, document, a maximum of 35 pages long overall (with a 20-page maximum for the body), that carefully explains every major aspect of the new business venture. Your business plan should follow the outline suggested by the template provided on Blackboard. In fact, you are strongly encouraged to use that template so that you will have all of the necessary sections and subsections in the proper order. Detailed explanations of the various parts of that outline are provided in Chapters 4-10 of the textbook.

Your Business Plan should pertain to an actual business idea that you could pursue, not a fictitious one that you are pretending to pursue. If you so choose, you should be able to implement your business plan exactly as it is written—so stick with the actual facts. For example, do not say you have incorporated unless you have the legal documents to prove it, and do not say you are renting a particular business location unless you are in fact renting one.

Optional. Two weeks before the Business Plan is due, you may submit a **Business Plan Draft**, which will then be graded according to the same standards as your final Business Plan. If you choose this option, then the draft and the final plan will each count 50% toward your Business Plan assignment grade. The advantage to exercising this option and submitting a draft is that you can then utilize instructor feedback on the draft to make your final plan better, resulting in a higher score for 50% of the overall assignment grade. However, the disadvantage of exercising this option is that you will have less time to complete your plan since you would need a complete draft two weeks sooner.

Business Plan Presentation. Give an oral presentation of your Business Plan, using PowerPoint to provide visual aids. Detailed guidelines for your presentation are provided in Chapter 11 of the textbook, and examples from business plan competitions are

available on YouTube. All team members should attend the presentation, but they do not all need to present. In terms of duration, the presentation should NOT exceed 12 minutes. At the instructor's discretion, your presentation may be recorded and made available to others for review and critique, so do not divulge any confidential information.

Strategic Plan. The Strategic Plan details the long-term directions that the new venture will pursue once it is established. This is a 6-10 page (single-spaced) document addressing such issues as the business scope, customer needs and preferences, advantages the firm hopes to attain over its competitors, and directions for future growth. Detailed instructions are provided on Blackboard.

Individual Activities. *The various individual activities on which you will be graded are described below. Note that these are individual activities even when they are related to the team assignments. There should be differences in the activities performed by different individuals on the same team, reflecting the unique skills, insights, and perspectives of each individual.*

Class Participation. Contributions to the overall class discussion are essential. The emphasis is on quality rather than quantity, and on insight rather than summary. Though you will not be graded directly on class attendance, there is a relationship since you cannot participate if you do not attend. If you must miss a class, you can ensure that the absence will not affect your Class Participation grade by attending a meeting of the FAU Entrepreneurship Club (<http://yesowls.com>) and submitting a 250-word summary of that meeting.

Quizzes. There will be a short quiz on each of the first ten chapters in the textbook, in class on the days that those chapters are discussed. The quizzes may be given at any time during the class, so if you arrive late or leave early, you may miss the quiz. If you must miss a class and thus are not there to take the quiz, you can make up for the missed quiz by submitting written answers to the first four Review Questions listed at the end of the corresponding chapter no later than one hour before the beginning of the following class. Your grade on those Review Question answers will then be used as your quiz grade for that particular chapter.

Position Outline Papers (POPs). Throughout the semester, we will discuss ten business cases, and there is a Position Outline Paper (POP) assignment for each case. Thus, "POP1" pertains to the first case that we will discuss, and "POP2" pertains to the second case. Each POP is due before class on the day that the particular case is to be discussed in class.

In each POP, you will demonstrate that you have read the associated case and put some thought into it by

outlining your position on the following:

- *What is the biggest issue facing the focal business or individual at the end of the case?* (State the issue as a question, preferably a “how to” question. Avoid overly broad issues like “how can they make more money?”)
- *What alternatives are available for dealing with that issue.* (List at least two reasonable ones, other than “do nothing.”)
- *Which alternative should they choose? Why?* (Indicate one of the alternatives that you previously listed, and then give a 1-2 sentence explanation of the logic underlying your choice.)
- *How should they implement that choice?* (Specify 3-5 actions that should be taken.)

Two grading criteria will be used: (a) to what extent did you follow the POP assignment instructions and (b) to what extent does it look like you really read the case and put some thought into it. As with all written assignments, each POP should be submitted by email, no later than one-hour before the beginning of class on the day it is due, as indicated on the course schedule. *No assignments will be accepted late.*

Elevator Pitch. In class, you will give a two-minute (maximum) “Elevator Pitch” for your team’s business venture. This will be a completely verbal presentation, with no visual aids. Note that this is an individual assignment, even though it is based on the same new venture as your team assignments. Thus, if your team has three members (i.e., you and two others), all three of you will each develop and present a different elevator pitch.

In developing your elevator pitch, make sure you spell out the following.

1. **Value proposition.** Provide a clear and concise description of who the customers are and how they will benefit from your products and services.
2. **Exemplars.** Describe your business model and offerings using examples of other firms doing similar things, even if those firms are in other industries.
3. **Competitive differentiation.** Explain why you believe customers will buy from you instead of from competitors. If you are offering a brand new product or service, your competitors are firms meeting similar customer needs some other way. Explain why your way is better.

You should memorize the basic points you want to make, and then make the presentation without relying on notes. After all, you may not have any notes with you when, by chance, you bump into a potential investor in an elevator. Though you should memorize the basic points, you probably should not memorize your entire script. (Develop a good script, but don’t memorize it.) Otherwise, your pitch may come across as being too mechanical.

At the instructor’s discretion, your presentation may be recorded and made available to others for review and critique.

YouTube Video Review. Go to YouTube (www.youtube.com), and search for “UC Davis Business Plan Competition.” You will see several videos listed which show presentations of finalists in that competition over the last few years. For example, one titled “Big Bang - UC Davis Business Plan Competition 2010” contains finalist presentations from the competition in 2010.

Select *two* of those videos, from two different years, and report on one presentation from each of those two videos. For example, you might report on one of the finalist presentations in 2008 and one in 2009. In your report, briefly summarize each presentation, making sure to indicate the name of the business and the basic business idea. Then, compare and contrast the two presentations. Which one had a better value proposition and business model? (Why?) Which one seemed to have a better business plan? (Why?) And which presentation was better in itself? (Why?) If those two plans had been presented in the same year, which one should have done better in the business plan competition? (Why?)

Video Pitch. As you are preparing your Elevator Pitch, think of how you could enhance it with visual aids or other video or audio effects. Then, create a two-minute video clip pitching your venture to potential investors. Think of this “YouTube-type” video as being analogous to a television commercial. If you could advertise for investors on television, what would your commercial be like? The same guidelines for the Elevator Pitch apply here too (i.e., maximum of two-minutes, focus on benefits, use examples, and stress differentiation). The differences between the two assignments are that in this Video Pitch (a) you will be creating a video clip and (b) you are free to use (tasteful and legal) audio or video devices in that clip. **The Video Pitch should be uploaded to YouTube** at least one hour before class on the due date, and a link to it should be emailed to the instructor. Be creative!

If you want to keep your video private, specify “Private” in the YouTube settings, but allow YouTube user “FAUblplan” to access it. Then, nobody will be able to see your video but the instructor.

Course Policies

Students in this course are expected to conform to all university policies. Additionally, students should note the following.

CLASS ETIQUETTE

Several class rules will be in effect:

1. Late arrival and early departure are rude and disruptive. Though this is sometimes unavoidable, your grade will suffer if such behavior occurs repeatedly.
2. No cell phones are to be on during class. Turn them off or leave them elsewhere. Answering or talking on a cell phone in class will result in your immediate withdrawal from the course.
3. Computers and related devices may be used in the classroom only for tasks relevant to classroom activities being conducted at the time. Taking notes on your computer is usually acceptable, for example, but playing solitaire on your computer usually is not acceptable.
4. Refrain from talking during presentations and discussions. It annoys the presenters and is not acceptable.
5. Guest presenters should be treated with great courtesy. It is expected that all students will be prepared to ask the presenter questions and comments during the class period.

STUDENTS WITH DISABILITIES

In compliance with the Americans with Disabilities Act (ADA), students who require special accommodations due to a disability to properly execute coursework must register with the Office for Students with Disabilities (OSD) located in Boca Raton - SU 133 (561-297-3880), in Davie – LA 240 (954-236-1222), in Jupiter - SR 117 (561-799-8585), or at the Treasure Coast - CO 128 (772-873-3305), and follow all OSD procedures.

ACADEMIC INTEGRITY

A fundamental principle of academic, business and community life is honesty. Violation of this ethical concept will result in penalties ranging from a grade of "F" in the course to dismissal from the University. In all penalties, a letter of fact will be included in the student's file. The use of unauthorized material, communication with another student during an examination, attempting to benefit from the work of other students, or attempting to aid another student, and other similar behaviors which defeat the purpose of examinations and individual assignments is unacceptable. Violation of these standards is a serious offense and shall result in disciplinary actions allowed by the College and the University. (See current University Catalog).

SafeAssign or Turnitin may be used to examine any/all papers submitted in this class.

Assigned Cases

The cases listed below will be discussed in class, and there is a Position Outline Paper (POP) associated with each one. In that list, the cases are numbered in the order that they appear on the course schedule, which is the same number for the corresponding POP assignment. For example, the first case we will discuss in class is the Zandinger case, which is numbered "1" in the list below. POP1 pertains to Zandinger, and it is due prior to class on the day in which we will discuss the Zandinger case in class.

The R&R case is on pp. 142-161 of the Bootstrapping 101 book. All of the other cases can be downloaded through the FAU Library website. If you are not sure how to access them, go to <http://www.youtube.com/user/FAUplan> for a video with downloading instructions and an illustration. For some cases, you will come across a Note to Instructors listed separately. The case itself is assigned, not the note. If you are not sure which one you need, check the page numbers for the case in the list below.

1. Tompson, G. (2003). Zandinger! *Entrepreneurship: Theory & Practice*, 28: 193-204.
2. Evans, A., & Varaiya, N. (2003). Anne Evans: Assessment of a biotechnology market opportunity. *Entrepreneurship: Theory & Practice*, 28: 87-105.
3. Choi, D., & Kiesner, F. (2007). Homeboy Industries: An incubator of hope and businesses. *Entrepreneurship: Theory & Practice*, 31: 769-786.
4. Huser, E., Swart, E. (2010). Opt-e-scrip. *Entrepreneurship: Theory & Practice*, 34: 399-416.
5. Finkle, T. (1998). Beano's Ice Cream Shop. *Entrepreneurship: Theory & Practice*, 23: 87-100.
6. Baucus, M., Human, S., Clark, T., & Rosenthal, D. (2011). P&G is Selling Oxydol! *Entrepreneurship: Theory & Practice*, 35: 395-407.
7. Gilinsky, A. (2002). Turin Networks. *Entrepreneurship: Theory & Practice*, 37: 77-91.
8. Stevenson, H. (1985). R&R. Harvard Business School Case 386-109. In Bob Reiss, *Bootstrapping 101* (2009). Boca Raton, FL, pp. 142-161.
9. Hudnut, P., & DeTienne, D. (2010). Envirofit International: A Venture Adventure. *Entrepreneurship: Theory & Practice*, 34: 785-797.
10. Castrogiovanni, G. (1998). Universal Business Brokers. *Entrepreneurship: Theory & Practice*, 22: 75-86.

Tentative Course Schedule

<i>Date</i>	<i>Topic</i>	<i>Assignments</i>
Aug 25	Introduction	Syllabus; Ch. 1; Quiz 1
Sep 1	Developing & Screening Business Ideas Case Discussion	Ch. 2; Form Teams ; Teams pick project ideas; Quiz 2 Zandinger Case; POP1 due
8	Feasibility Analysis Case Discussion	Ch. 3; Quiz 3 Anne Evans Case; POP2 due
15	Introductory Material Case Discussion	Ch. 4; Quiz 4 Homeboy Industries Case; POP3 due
22	Industry Analysis Case Discussion	Ch. 5; Quiz 5; Feasibility Analysis due Opt-e-scrip Case; POP4 due
29	Market Analysis Marketing Plan	Ch. 6; Quiz 6 Ch. 7; Quiz 7
Oct 6	Management Team & Company Structure Operations Plan	Ch. 8; Quiz 8 Ch. 9; Quiz 9
13	Financial Projections Case Discussion	Ch. 10; Quiz 10 Beano's Case; POP5 due
20	Presenting the Plan Bootstrapping – Part 1 Case Discussion	Ch. 11 (no quiz) <i>Bootstrapping 101</i> : pp. 12-70 Oxydol Case; POP6 due
27	Elevator Pitch Bootstrapping – Part 2 Case Discussion	Elevator Pitch (due in class) <i>Bootstrapping 101</i> : pp. 71-140 Turin Networks Case; POP7 due
Nov 3	Strategic Plan Instructions Bootstrapping – Part 3 Case Discussion	YouTube Video Review due <i>Bootstrapping 101</i> : pp. 141-186 R&R Case; POP8 due OPTIONAL: Business Plan Draft due
10	ONLINE CLASS Strategic Plan	DUE BY MIDNIGHT: Strategic Plan
17	Case Discussion Case Discussion	Envirofit Case; POP9 due; Business Plan due Universal Business Brokers Case; POP10 due
24	Thanksgiving	No Class
Dec 1	Presentations	Video Pitch due; Business Plan Presentation Absolute deadline for everything

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