

ENTREPRENEURIAL MANAGEMENT

AREA: ENTREPRENEURSHIP M.M.I.M. SESSIONS: 20

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COURSE OVERVIEW

This course in entrepreneurial management provides a forum for the in-depth examination of mindsets, methods, and managerial activities that follow the entrepreneurial process from opportunity recognition to planning and creating new ventures.

The 20 sessions that compose the course aim to give you a well-rounded learning experience one which will enable you to develop skills and apply tools vital in today's business world, whether you explore it as an entrepreneur or a corporate manager. The knowledge and theory you will receive will serve as a backbone for a range of hands-on experiences through case discussions, workshops, coaching sessions, team work, and presentations, as well as through interacting with practitioners. By keeping the class experience on the interface between theory and practice, the course structure will lead you through the entrepreneurial process, both through others' (case studies and practitioners) and own experience (coaching sessions, developing and presenting a business plan).

COURSE OBJECTIVES

Upon the completion of this course, students should:

- Learn how to recognize and evaluate new venture opportunities, understanding both the entrepreneur's as well as the investor's perspective;
- Understand the issues faced by entrepreneurs when starting a venture, as well as acquire some of the fundamental skills and tools required for embarking on a new venture:
- Understand the nature and purpose of a business plan in the context of new ventures, and be able to write, articulate and present such a plan.

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The written and video cases, class exercises as well as the guest speaker experiences will expose you to viewpoints on both sides of the table -- that of the entrepreneur and that of an investor. Moreover, the settings we will be exposed to in our case studies cover a range of industries and markets, from ventures backed by sophisticated investors to those funded by friends. Moreover, we will study a wide range of businesses. By exposing you to the broad range of settings in which entrepreneurs operate, the course seeks to expose and dispel the persistent myth that entrepreneurship is limited to but a few heroic figures covered in popular press. In fact, entrepreneurship is a viable option for many people, if they choose to pursue it.

How You Should Prepare for Class

Entrepreneurship is action-biased, hence classic "stand-up lectures" where students act as passive recipients of knowledge will be rare. The course is therefore designed to be highly interactive, where students learn from each others' experiences and class discussion, in the class and in working teams outside of class. As always, much of your learning depends on you: your preparation, active participation in class and in your teams, and reflection after the class.

Preparing cases: For case discussion sessions, it is recommended that students: (1) review the "questions to contemplate" (questions associated with the assigned case in the syllabus below), (2) carefully read the case, and (3) take personal (brief) case notes designed to capture the key themes and issues of the case. (These notes may also come in handy if a student is randomly picked to lead off the case discussion.) Pre-class discussion of the case with classmates and your project team is also encouraged. Please note that the questions assigned for preparation need not be the ones that I will use in opening the class and steering class discussion -- however, thinking through the assigned questions should make you well prepared to contribute to the class discussion.

For other readings (other than cases), it is recommended that students identify (and write out on paper) three key discussion points associated with each reading. These discussion points can take any of several forms, including: major insights revealed in the reading and how they relate to the case; controversial assertions made in the reading; or your personal thoughts and experiences that build on or otherwise evolve from the reading.

EVALUATION CRITERIA AND GRADING POLICY

The nature of this course does not lend itself to objective questions seeking "right" and "wrong" answers per se. However, there are different levels of quality in fulfilling the course requirements. Just as an investor ranks the attractiveness of different proposals, I will rank your work against that of your peers and assign an appropriate grade. Just as some deals get funded and others not, there are variations in the quality of each students'/team's work.

This course is competitive, follows IE's guidelines, and is based on individual and team work. The components of the course are weighted as follows:

1.	INDIVIDUAL IN-CLASS PARTICIPATION	25%
2.	OPPORTUNITY PITCH & ANALYSIS	30%
3.	BUSINESS PLANNING PROCESS	45%
	(Coaching, BP document, BP presentation)	

It is important to stress that:

- No late assignments will be accepted.
- Grades are non-negotiable. I devote a lot of time and thought to evaluating students, and it will be hard to convince me otherwise. I will provide you with feedback on your standing once half-way through the course. However, at the end of the course, once posted grades are final. IE has instituted formal procedures to align any disagreements regarding grades, and you may inquire with the program management regarding the details of this procedure.

1. Participation and Case Discussion

As mentioned earlier, this course is premised on discussion as the key pillar for learning. The discussion forum provides an opportunity to argue your position and to learn from others by listening to their comments and criticisms. Experience shows that the better you prepare your readings, the more confident you will feel in class, and the better the mark you will get. The opposite is also true. Bottom line is that a student should not expect to pass the course without active participation in class.

While I do not track class attendance, without being present in class you cannot contribute or receive a positive mark for that day. I will keep track of class participation and contribution during each class, and will evaluate your participation according to the following criteria:

- *Is the student present and on time?* As outlined above, though I do not track attendance, any absence naturally cannot yield a positive score in participation. Please note that **absence cannot be compensated by any other extra assignments.**
- **Does the student participate in class?** For others to learn from your experience, you must participate which means offering your insights in all sessions. While quantity of participation helps, I will place an emphasis on quality points. Please see below:
- **Does the student make quality points?** As I value quality over quantity in majority of cases, it is entirely possible to offer many comments and still receive a fairly low grade for participation. To help you improve your participation, these are the characteristics I value:
 - being an active, but NOT a dominating participant competing for "air time"
 - demonstrating that you have studied the case/readings and given them careful thought
 - applying conceptual material from the readings or the lectures
 - reaching back to something said previously in the discussion that is pertinent to the discussion at the moment, and integrating comments from classmates
 - identifying key assumptions underlying discussion points and arguments
 - drawing parallels from previous cases or other experiences
 - being CONSTRUCTIVE and POSITIVE in one's comments.

When determining the class participation grade at the end of each class, the following questions will be asked: Are the points made relevant to the class discussion? Did the comments add to our understanding of the situation? Does the participant go beyond simple repetition of case facts without analysis and conclusions? Do comments show an understanding of theories, concepts, and analytical devices presented in class lectures or reading materials? Were the concepts presented in a concise and convincing fashion? Can the participant back up a point with own analyses or other projections?

Finally, it is important to know that:

A student can achieve **negative points** when being discourteous, violating any of the class policies, when making irrelevant comments of insignificant importance, and especially, when using an impolite manner. A **zero** grade will be given to students who are either absent from class and/or present in class but silent and / or did nothing to move the class ahead.

2. Team Work - Opportunities

In Session 1 of the course, we will start the process of organizing you into new project teams, based on your shared interests. These teams will remain the same throughout this course, and each student will be graded as a member of one of these teams. Each team must have no less than 3 members, and no more than 7. If a team of students already has a specific opportunity in mind, this can also be used as the basis for team formation.

Your project team will hand in an Opportunity Analysis in Session 10 (which should not exceed 5 pages, single spaced, excluding attachments) containing an analysis of the customer need that drives your business plan, the target market and your proposed product or service. This is essentially a formalized report on your opportunity, which will stimulate valuable feedback from your classmates and me as you start to develop your business plan.

The Opportunity Analysis will cover the key areas surrounding the opportunity and will stress the attractiveness of each. Given the preliminary nature of this analysis, you should NOT focus on the financials and operations, but rather explore the problem or need you have identified, the macro (market and industry) and micro (competition and target market) context, while focusing on clearly presenting your value proposition for customers. In writing this document, think of my reaction to your logical reasoning - will I be interested in exploring your business plan in future based on this short document? Instructions for this Opportunity Analysis will be posted on campus online at the beginning of the 1st class.

Building on the ideas from the Opportunity Analysis, your team will be performing an elevator pitch. You will have 3-5 minutes (depending on the final number of teams) to present your idea and key factors that make the execution of that idea a feasible and attractive opportunity - one worth writing a business plan for. The final grade for Opportunity Analysis will be calculated in the following way: 1/3 pitch (presentation) + 2/3 written report. Evaluation criteria for each component are outlined below:

Opportunity Analysis Report Criteria: I will be grading and equally weighing the following criteria: (1) Customer need and product/service, (2) Market analysis (micro and macro), (4) industry analysis and competition, (5) competitive advantage, (6) overall depth of research, (7) graphics, charts and tables (supportive material and its relevance to your arguments), (8) persuasiveness of the argument, (9) writing and expression, (10) overall interest generated.

Opportunity Analysis Presentation Criteria: In grading your presentation, I will focus on general clarity and argumentation skills when presenting your opportunity, as well as the comprehensiveness, conciseness and professionalism in your Q&A session. Do keep in mind that the visual aids (such as slides) will also be considered when evaluating the presentation.

3. Workshops

There are two workshops during the course. The first workshop in Sessions 4 & 5 focuses on creating venture opportunities. You will work in your project teams. Each student will be asked to bring to the workshop one potential opportunity that reflects a problem or customer need waiting to be met, and a possible solution to address this need. During the workshop, each team will then analyze and brainstorm its members' ideas. The outcomes of the workshop will feed into the formal Opportunity Analysis that each team must submit in Session 10. Further details of these requirements and activities will be given before the class.

The second workshop is Sessions 12 & 13 and focuses on Developing the Business Model and Plan. Once again you will work in your project teams. Each team will be asked to bring to this workshop their draft business plan. During the workshop, each team will have an opportunity to analyze and refine the business model for their plan, and also identify gaps that need to be filled. The outcomes of the workshop will help to guide the further development of the team's business plan which is due at the conclusion of the course. Once again, further details of these requirements and activities will be given in class.

4. Business Plan

While the completion of the business plan document is the culmination of our new venture development trip, your teams will be encouraged to spend most of the course time thinking, working on and developing your business plan. Rather than rushing and "crunching" all the research in the last minute, the nature and structure of this course will push you to continuously work on improving your plan.

Your team will be collectively responsible for delivering the Business Plan document and presentation 7 days following your Business Plan presentation in Session 19 & 20. The written plan must follow the guidelines that will be distributed at the start of the course. **Your plan should be no more than 10 pages long, single spaced, excluding attachments.** The quality of the document will be judged on the basis of its comprehensiveness, coherence, and substantiation of arguments, supported by primary and secondary research and citations.

5. Team Logistics

As with other projects, your team will work on the business plan together. Experience shows that best projects arise when students self-select into teams, reflecting the reality of the entrepreneurial world. Therefore, you will organize into teams with shared interests. To facilitate this process, we will spend 10-15 minutes in our first class (a) identifying industry sectors of interest to the section, and then (b) voting on the most interesting ones. Industry sectors can be defined as "biotechnology" or "online retailing" for example. The goal is to identify up to 10 industry sectors of interest to the section, which will be used in the following week to form up to 10 teams ranging from between 3 and 7 students.

While this option is intended to bring you as close to the entrepreneurial realities, due to course management, I will insist that the number of teams and members per team are fixed and final by the start of Session 4.

In the course of developing the business plan, you are expected to:

- present two deliverables (one for each of the two coaching sessions),
- · hand in the final written plan,
- · give the business plan presentation,
- and appraise your peers.

The final grade for your business plan process is a team grade, but it is important to note that, beyond the business plan document and presentation alone, I will grade the business plan process as such, and each student's final grade will be weighed accordingly. Hence, it should come as no surprise if team members' individual grades mutually differ, with better evaluated students receiving a higher grade, and vice versa.

This will be done by evaluating your effort in each of the coaching sessions, and always supported by the peer appraisal form (described below). Before each Coaching Session, I will ask each team to send an agenda and issues for discussion. Writing these deliverables and thinking through the topics will assist your preparation and ensure the quality of discussion at each of the coaching sessions. Please note that coaching sessions should be treated like any other class -- your absence cannot be valued, not can it be compensated by other work. The team is collectively responsible for presenting the agenda deliverable, and the entire team's grade will suffer if you don't have one.

Each student will complete a confidential peer appraisal (to be provided in class) reviewing each member's contribution to the business plan process **in the last session**. The peer appraisal is meant to discourage "free riding" by any member of the team, and encourage sharing the significant workload of this assignment fairly. **Note:**

- 1) You are responsible to manage your own team, and this will be a valuable experience to take into your entrepreneurial / corporate career. Therefore, as in the real world, any issues that may arise should be managed within and by the team, preferably without my interference. I will consider the peer appraisal only at the very end of the process, as your individual reflection of the teammates' contributions to the process.
- 2) Peer appraisal will not automatically enter the final grade calculation. However, I reserve the right to reduce / increase an individual's grade on the business plan based on my own observation and the team's feedback. The peer appraisal will concentrate on evaluating whether each team member did his/her share of the work conscientiously on a timely basis and with a positive outlook. Each team member will submit the Peer Appraisal Form after the BP presentation. A final course grade will not be given until all peer appraisal forms have been submitted.

In conclusion, evaluating team-work and the final business project is challenging. While I encourage you to learn how to manage your team successfully, the above criteria are introduced as safeguards that encourage team planning and execution throughout the class period. Hence, with well functioning teams (regardless of the final quality of the BP and the presentation), it should be of no surprise that the team shares the grade assigned to the project. However, the opposite can be expected as well. In this sense, the final grade is a reflection of a) individual effort, b) team performance, c) continuous progress, and d) the final deliverables.

GENERAL COURSE POLICIES AND IMPORTANT INFORMATION

Students should **arrive to class prepared and on time.** This is important, because arriving late disrupts your classmates' and my own focus. Therefore, students who arrive late may not be permitted to enter the classroom.

Laptop usage

You are kindly asked to defer from laptop usage in any of our classes. If you have already prepared notes for the case discussion, please print them out before class. Naturally, please also defer from using cell phones, PDAs or any other technology that may disrupt the flow of the class. Classes are designed for active interaction, discussion and debate, and these activities will require your full attention.

Academic and Professional Integrity

The highest standards of academic honor and integrity will be expected of all class members. Any form of dishonorable, disrespectful, dishonest, disruptive, vulgar and/or otherwise unprofessional behavior such as plagiarizing is strictly prohibited. By session 2, you are expected to know our (IE's) Ethics Code, and to understand how it applies to our course.

To promote transparency and provide evidence of academic standards, I will ask you to submit your two written team reports using digital drop boxes that I will create in the online Campus. These drop boxes are linked to the software application called Turnitin that automatically checks the degree of originality in your work and provides me with detailed reports showing how much could be copied from other sources. Further information about this process will be provided during the course.

FINAL NOTE:

I hope that this class will provide you with a highly enjoyable learning process. While his syllabus represents our "classroom contract", I trust that you will share my belief that we can learn from each other in rich discussions in and outside of the classroom. I will do my best to facilitate an interesting and rounded discussion conducive to a learning environment, and promise never to provide you with "spoon fed" information or memorizing of lists. At the same time, I expect from you proactive preparation and active participation, with a healthy dose of humor and good spirit. I also appreciate your opinion and constructive feedback, and (within the course structure boundaries), I will do my best to make the class contribute to your learning process.

Finally, entrepreneurship is an exciting and fascinating field of activity and study, and I am delighted to meet and share ideas with a group of diverse and interesting individuals whose ideas could become the enterprises of the future. I hope you find that as stimulating as I do.

PROGRAM

Summary of Sessions

SESSION	KEY CASE	TOPIC
1	R&R	Class Introduction: Scope, Goals and Elements of Entrepreneurship
2,3	Startup.com	The Big Picture: The Entrepreneurial Process
4,5	Workshop	Identifying Venture Opportunities
6	ie Venturing	Evaluating Opportunities and their Feasibility
7,8	Pinar 9	Coaching #1
9	@Hoc	Business Planning and Analysis
10	Team Pitches	Presentation of Opportunity Analysis
11	Zip Car	Adapting the Business Model
12,13	Workshop	Developing the Business Model and Plan
14	Guest Speaker	Practitioner Insights
15,16	Pinar 9	Coaching #2
17	Terracycle	Sources of Financing and Deal Terms
18	Summing up	Entrepreneurial management – synthesis and conclusions
19,20	Presentations	Final Exam - Business Plan / Team Presentations

SESSION 1. Class Introduction: Scope, Goals and Elements of Entrepreneurship

Required readings	 Syllabus, IE Ethics Code The questions every entrepreneur must answer (HBR reprint # 96603)
Case Study:	- R&R (HBS case 386019)
Questions for class preparation	What is your definition of an entrepreneur?What are your expectations and learning goals for this class?
	 Identify factors that created an opportunity for Bob Reiss and the "TV Guide Game?"
Questions for case preparation:	 Identify the risks and rewards faced by Bob Reiss and other participants in the enterprise?
	 What actions did Bob Reiss take that led to the success of the "TV Guide Game?"

SESSIONS 2, 3. The Big Picture: The Entrepreneurial Process

Required readings	Bygrave & Zacharakis: Ch.#1: Entrepreneurial Process
Video Case Study	- Startup.com (we will watch this video in class)
Questions for class preparation	 What are the key dynamics in the entrepreneurial process? What makes an opportunity attractive from an entrepreneur's or investor's perspective? What is the difference between an idea and an opportunity?

SESSIONS 4, 5. Workshop – Identifying Venture Opportunities

Required readings	 Kawasaki, G. "Rules for revolutionaries" (Chapter #1 + pages 34 - 45).
Questions for class preparation:	Where do business ideas come from?What is a value proposition and how can you create value?
Team Pre-work	 Each student will bring to the workshop the outline of one possible venture opportunity for group discussion. Further guidelines will be provided in class.

SESSION 6. Evaluating Opportunities and their Feasibility

Required readings	 Opportunity Report and Pitch Guide (to be posted in campus online)
Case Study	- ie Venturing (will be distributed before the class)
Questions for class preparation	 What are the criteria to use when evaluating opportunities? How would you prioritize these criteria as an investor and as an entrepreneur? How would you identify the right opportunity <i>for you</i>?
Questions for case preparation	 Evaluate each of the presented opportunities in the case using the Feasibility Study Guide How could you improve the identified weaknesses or further leverage identified strengths?

SESSIONS 7, 8. Coaching - Sessions NOT in class -- instead, teams should meet me at a scheduled time and place (TBA during the course).

The purpose of the first coaching session is to provide each of the teams with guidance on the opportunity they will analyze in the Opportunity Analysis that the team must submit in Session 10. Prior to the Coaching Session, each team will be required to submit an agenda with specific issues or questions that remain to be solved to refine your opportunity and conduct the analysis.

SESSION 9. Business Planning and Analysis

Required readings:	How to write a great business plan (HBR reprint # 97409)The top ten lies of entrepreneurs (HBR reprint # F0101B)
Case study	- @HOC (HBS case # 9-800-264)
Questions for class preparation	What is the purpose of the business plan?What makes an effective business plan in your opinion?
Questions for case preparation	 How would you evaluate @Hoc's business plan as a written document (think about the quantity vs. quality of information, structure, arguments, etc.) How would you evaluate @Hoc's business plan in terms of opportunity, context, people and the deal they're proposing? Would you invest in the business?

SESSION 10. Opportunity Analysis Report and Pitch

DELIVERABLE: Opportunity Analysis Report - This document should be no more than three (5) pages long. Further guidelines for writing this document will be distributed in Session 1. Teams must hand in their written report before the beginning of the session 10.

SESSION 11. Adapting the Business Model

Required readings	 Why business models matter (HBR reprint # 9985) Note on business model analysis for the entrepreneur (HBS # 9-802-048)
Case Study	– Zip Car (HBS case #803096)
Questions for class preparation	How do you know when it's time to change or adapt the business model?What are the key factors you need to consider when changing a business model?
Questions for case preparation	 What is the business model, and how has it changed from December 1999 and May 2000? What do the data from September say about how the business model is playing out in practice? Does the data give you comfort or concern? Why? What actions should Chase take as a result of September operating results?

SESSIONS 12, 13. Workshop – Developing the Business Model and Plan

Required readings	 Getting from Plan A to Plan B and BeyondBuilding a Better Business Model (HBS #5357BC)
Questions for class preparation:	 What is your value proposition and how can you create value? What is the best business model for your opportunity? How flexible and adaptive is your proposed business model?
Team Pre-work	 Each team will bring to the workshop their draft business model and business plan. Further guidelines will be provided in class.

SESSION 14. Guest Speaker - TBA

SESSION 15, 16. Coaching - Sessions NOT in class -- instead, teams should meet me at a scheduled time and place (TBA during the course).

This is our second and last formal coaching session. Accordingly, by now you should have prepared the overall structure of the plan, have most of the research and analyses completed, and have a good idea of the "missing parts". Prior to the Coaching Session, each team will be required to submit an agenda with specific questions or concerns that remain to be solved to refine your business plan and make it consistent and concise.

SESSION 17. Sources of Financing and Deal Terms

Required readings	 Venture capital negotiations: VC vs. Entrepreneur (HBS note 9-800-170) Bootstrap finance: The art of start-ups (HBR reprint # 92601)
Case study	Terracycle: getting the cycle going? (IE case 2009)Role-Play supplement (will be distributed before class)
Questions for class preparation	How do you select between the different financing options available for a new venture?What are the challenges associated with valuing new ventures?
Questions for case preparation	 Evaluate the opportunity for Terracycle Evaluate Tom's efforts to date Read the guidelines and supplement for your team's role and come prepared to negotiate your team's position.

SESSION 18. Entrepreneurial Management: Synthesis and Conclusions

SESSIONS 19, 20. Final Exam - Business Plan Presentations

DELIVERABLE: In order to give you time to incorporate feedback from the Business Plan presentation session, the Business Plan document is due **no later than SEVEN days** after your presentation. Please realize that you can submit it any time after your presentation but no later than the deadline. Your team will receive written feedback on this. Additionally, oral feedback is available to all teams in the professor's office, by appointment and with the presence of the whole team.

PETER BRYANT, PhD

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Experience

Peter Bryant joined Instituto de Empresa's Entrepreneurship Faculty in 2009, having earned his PhD in 2006 from the Macquarie Graduate School of Management in Sydney, Australia. His research focuses on the origin and evolution of entrepreneurial organizations, their capabilities and strategies. His research program synthesizes a number of disciplines and fields, including social cognitive psychology, organizational theory, the theory of the firm and competitive strategy. More specifically, Peter investigates how the behaviors and cognitions of entrepreneurs influence the founding and growth of new ventures. Peter explains: "I am fascinated by the initial conditions of entrepreneurial organizations. I want to understand what happens when diverse individuals join forces to pursue a collective dream."

Peter's work is published in Journal of Business Venturing, Applied Psychology: An International Review, Management Decision and Frontiers of Entrepreneurship Research. He has presented at some of the most prestigious conferences in the fields of entrepreneurship and strategy, including the Babson College Entrepreneurship Research Conference, Academy of Management Annual Meeting and Strategic Management Society Conference, among others. Peter is passionate about teaching and mentoring potential entrepreneurs and enjoys sharing his students' journey of exploration.

Prior to commencing his academic career in 2006, Peter held a number of management roles in a range of industries, including Qantas Airways, St George Bank, Deloitte and A&B Venture Capital. He also worked at The University of Sydney where he managed the creation of new technologies ventures. In this role, Peter was responsible for the creation of a number of spin-off companies. Two of these spin-offs were successfully launched on the Australian Stock Exchange (ASX), and another attracted early stage venture capital investment. From these professional experiences, Peter brings a deep appreciation of the entrepreneurial process to his teaching and research.

Academic Background

PhD in Management, Macquarie University, Australia MA in Management, Macquarie University, Australia BA in History with University Medal, The University of Sydney, Australia

Academic Experience

Assistant Professor of Entrepreneurship, IE Business School, 2009 to present Senior Lecturer in Management, Macquarie Graduate School of Management, 2008-2009 Senior Lecturer in Innovation and Entrepreneurship, Macquarie University, 2006-2007

Corporate Experience

Manager of New Ventures, The University of Sydney, Australia Senior Associate, A&B Venture Capital, Australia Client Manager, Deloitte, Australia Manger Business Contingency Planning, St George Bank, Australia Systems Analyst, Qantas Airways, Australia