

Venture Creation: A Course Overview

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Course Objectives

The course requires students to identify a market opportunity and develop a business model. The components of the business model are the key deliverables expected in this course. The business model design is key to the development of the business plan.

The business model creates, delivers, monetizes, and sustains the customer value. The more efficient and sustainable the business model, the lower is the uncertainty of the cash flow. A business model should tell potential investors and others concerned why your business would succeed. Investors want to know about your "unfair advantage." Investors find your marketing strategy of particular importance; they will want to know how your business is going to make money and how you will make it happen.

In designing the business model and its components such as the customer value, the marketing strategy, the operations strategy, the revenue model, the cost structure, you will make several assumptions. The business modeling process will help you identify the key assumptions you have made and state the hypotheses that need to be tested to mitigate the deal-killer risks and to reformulate the market opportunity in order to improve the odds of success of the venture. The business model is then reconfigured before proceeding to launch a venture or raise money from investors. The business model creation requires several iterations and refinements.

Required Readings

Getting Funded by Chandra S. Mishra, Palgrave Macmillan. For Getting Funded Supplements, see the link at http://figshare.com/articles/Getting_Funded_Supplements/1601983.

A course packet is available at the HBS site: <https://cb.hbsp.harvard.edu/cbmp/access/43372539>. If you haven't already done so, you need to register at the HBS site to create a user name. You can then purchase the coursepack at any time by: 1) Visit hbsp.harvard.edu, and log in; and 2) click "My Coursepacks" and then click "Entrepreneurship Spring 2016".

In addition to the text book and coursepack reading, we will use some video lessons, How to Build a Startup, at udacity.com (<https://www.udacity.com/course/ep245>). Go to the site and create a user name. The registration is free.

Non-Disclosure Agreement

Each student is required to sign an NDA (Non-Disclosure Agreement) to participate in the class. The NDA form is enclosed at the end of the syllabus. The NDA protects each class participant's

business ideas and plans. The signed NDA must be turned in during the first week of the class. A student is not allowed to take this class or participate without a signed NDA.

Grading Criteria

The grade will be based on the scheduled deliverables listed on the syllabus. All students will work in teams. **All scheduled deliverables are due by 4 pm by email to me on the dates they are due.**

Initially each team will present a market opportunity that clearly identifies and articulates a customer pain (customer need) that is widespread and has a potential solution. The subsequent deliverables are a marketing and sales model, an operations model, and a financial model and risk analysis.

Each team will be graded based on the quality of their analysis, the odds of the success of their strategy, and the effectiveness of their presentations. The course is designed to help you develop team working skills and presentation skills.

Each student will attend all classes (maximum four excuses are allowed in a semester) and will participate in providing constructive feedback to the teams presenting in the class. The feedback includes the strengths and challenges in a team's approach and a modified approach the student may recommend the team to take to improve the odds of success. The quality of feedback is not graded but the participation counts towards the class participation grade,

Individual student grades will vary according to each member's contribution to the team effort and performance. A student who does not participate in an assigned deliverable will receive zero points for that deliverable. Each deliverable carries equal weight.

Entrepreneurship is team work. Students will work in teams. Each student's contribution to the team effort is crucial to the success of the team and their venture. Each member of the team will fill out a team peer evaluation form at the end of the course. The peer evaluation form asks each member to evaluate their fellow members in terms of the members' effort and availability. The team participation grade carries 20 percent weight.

Each student is responsible for all in-class and e-mail announcements. *You must check your FAU e-mail account and Blackboard regularly.* **All scheduled assignments are due by 4 pm on the date listed on the syllabus.**

The final grade will be based on the following:

Scheduled Deliverables	60%
Class Participation	20%
Team Participation	20%

Tentative Schedule of Sessions

Jan 11		Introduction and Overview Team Signup
	Student Deliverable	Signed NDA
Jan 25		Business Model Design Overview
	Readings and Preparation:	<ol style="list-style-type: none"> 1. Business Plan for Room For Dessert (HBS) 2. How to Build a Startup (Udacity.com), Lessons 1.5 A and B
Feb 1		In-class Team Meeting
	Readings and Preparation:	<ol style="list-style-type: none"> 1. How to Build a Startup (Udacity.com), Lessons 2 and 3 2. Getting Funded, Chapters 2 and 3
Feb 8 and 15	Team Deliverable	THE MARKET OPPORTUNITY (Due Feb 8, 4 pm) Explain the market opportunity you are exploiting or plan to exploit and why; the customer pain and the customer value propositions (clarify how you will add customer value and what is your relative advantage), and the size of the addressable market and the served market. Is the customer pain or problem real and widespread? Is the product advantage superior relative to the competition?
Feb 22		In-class Team Meeting
	Readings and Preparation:	<ol style="list-style-type: none"> 1. How to Build a Startup (Udacity.com), Lessons 4, 5, and 6 2. Getting Funded, Chapters 4 and 5
Feb 29 and Mar 14	Team Deliverable	THE MARKETING AND SALES STRATEGY (Due Feb 29, 4 pm) Describe important product features and user benefits - relate the features of the products and services to the market needs and to the competition. What is your pricing strategy and is the customer willing to pay for the relative advantage of your product? Say how you will penetrate the market (the customer acquisition strategy, promotion, channels, and the cost of the marketing program) and your initial go-to-market strategy and the revenue forecasts. Justify your revenue forecasts with the go-to-market strategy.

Mar 21		In-class Team Meeting
	Readings and Preparation:	<ol style="list-style-type: none"> 1. Getting Funded, Chapters 5 and 6 2. How to Build a Startup (Udacity.com), Lessons 7 and 8
Mar 28 and Apr 4	Team Deliverable	<p>THE OPERATIONS STRATEGY (Due Mar 28, 4 pm)</p> <ul style="list-style-type: none"> • <i>Operations Plan:</i> Develop a milestone-based operations plan; identify key activities in each stage, key partners and suppliers, key resources required, and then estimate non-recurring capital expenditures and recurring quarterly operating expenses. Identify the immediate and future personnel needs. Identify performance metrics to help monitor the stage milestones. • <i>Key Milestones:</i> Describe the stage milestones, initial product launch criteria, and a time schedule to achieve the milestones.
Apr 11		In-class Team Meeting
	Readings and Preparation:	Getting Funded, Chapters 6 and 8
Apr 18 and Apr 25	Team Deliverable	<p>THE FINANCIAL AND RISK ANALYSIS (Due Apr 18, 4 pm)</p> <ul style="list-style-type: none"> • <i>Financials:</i> Include a simple projection of sales and expenses for three years. Use industry standard ratios to estimate the working capital and operating expenditures, adjusted for the startup's initial inefficiencies. The revenue forecasts and the capital and operating expenses are already estimated in the previous deliverables. State and briefly justify the key financial assumptions. • <i>Funding Needs:</i> Tell what funds are required --How much you want to raise, both initially and subsequently, and what the funds will be used for. When will you be cash flow positive? Consider a plan B scenario in case the required funds are not available. • <i>Risk Analysis:</i> Identify critical deal-killer risks and the steps taken or to be taken to test and mitigate these risks. Prioritize the risks so that you will focus your resources in mitigating the deal killer risks. The opportunity may be reformulated based on the findings of these risk experiments.
Apr 25	Student Deliverable	TEAM EVALUATION FORM (Filled out by Each Student)

NON-DISCLOSURE AGREEMENT

This agreement is made between a student (the “Student”), FAU and all companies participating in the Course (collectively, the “Company”).

Company and Student have entered into a relationship that requires the disclosure to Student of certain confidential business and trade information proprietary to Company.

In consideration of the mutual business covenants between the parties and other good consideration, the parties agree as follows:

- 1) **INFORMATION DISCLOSED.** Student requests disclosure of confidential information which will be delivered upon signing of this agreement and a receipt for the disclosed information as follows:

Business plan, intellectual property, business financings and related information
- 2) **USE OF INFORMATION.** STUDENT agrees to hold the disclosed confidential proprietary information for internal use only in the furtherance of the mutual business enterprise which is further described as follows:

The confidential information may only be used in connection with the course.
- 3) **NON-DISCLOSURE.** Student agrees not to disclose Company confidential information to any third parties unless approved in writing in advance by Company.
- 4) **PROTECTION OF CONFIDENTIALITY.** Student agrees that it shall protect the confidentiality of and take all reasonable steps to prevent disclosure and use of the confidential information to prevent it from falling into the public domain or possession of unauthorized persons. Student will advise Company in writing of any misappropriation or misuse by any person of the confidential information.
- 5) **RETURN OF MATERIALS.** Any materials or documents of Company will be promptly returned by Student to Company, accompanied by all copies of such documentation, at the earliest convenience after Company’s request for return of the materials, or the termination of the relationship between Company and Student.
- 6) **PATENT OR COPYRIGHT INFRINGEMENT.** Nothing in this Agreement is intended to grant any rights under any patent or copyright of Company.
- 7) **TIME PERIOD.** Obligations of confidence under this Agreement shall continue until two [2] years from the class ending date.
- 8) The Student agrees that a breach of this Agreement by the Student would result in irreparable harm to the Company, and that upon breach, the Company shall be entitled to injunctive relief in addition to monetary damages.
- 9) **MISCELLANEOUS.** This agreement shall be governed by, and construed in accordance with, the laws of the territory, including all matters of construction, validity, and performance. The Student hereby submits and waives any objections to the jurisdiction of such courts. This Agreement is binding upon and for the benefit of the parties, their successors and assigns, provided that the right to confidential information may not be assigned. Failure to enforce any provision of the Agreement shall not constitute a waiver of any term hereof.

BY: _____
(Printed Name)

(Signature and Date)