

**The Wharton School
The University of Pennsylvania**

Management 230 – Entrepreneurship

Course Syllabus

Spring 2008

Building: Jon M. Huntsman Hall

Classroom: G55

Tuesdays and Thursdays 3:00 pm – 4:20 pm

First Class – January 17, 2008

Instructor: Lawrence Gelburd

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Office hours:

Tuesdays and Thursdays 4:30 pm – 5:30 pm
by advance email appointment

Office hours location:

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1. OVERVIEW

Management 230 is the entry level course in Entrepreneurial Management. The course is only open to students who have completed at least one course each in Marketing, Management, OPIM, Accounting and Finance. Just as entrepreneurs must be flexible and balance breadth and depth in key business disciplines, students in MGMT 230 will be challenged to work independently as well as in a team; you will conceptualize and develop a comprehensive business plan, and deliver a professional presentation of the plan to the entire class. Balancing theory with practice and analysis with action are difficult and essential tasks for entrepreneurs. MGMT 230 students are expected to do more than theorize the development of their business plan and model. All teams must present the results of primary and secondary research, investigate relevant trade journals, conferences, associations, state and federal governmental issues to understand the forces shaping the markets for their products and services.

This course will be useful not only for those who already are or plan to be entrepreneurs but also for students who will join start-up companies as employees. Students interested in consulting, investment banking and venture capital careers will gain valuable insights and skills for evaluating and managing new ventures.

This course is focused on identifying, defining and describing a new venture with high growth potential through some innovative process, product or service. Specifically, this venture should be an original effort of your team, not a reworking of someone else's efforts. Your team must review all the areas described in the business plan. Your venture must have real potential to provide very high net present value.

Four key objectives for this course are:

1. Experience the process of venture definition – form a team of five motivated students who define and develop a business opportunity.
2. Analyze problems and synthesize solutions – Identify and evaluate the problems facing start-ups in general and yours in particular, then build viable solutions to those problems while balancing risks with rewards.
3. Balance analysis with action and theory with practice – use the strengths of your team and its contacts to develop these two essential skills.
4. Write and present the plan – A well-researched and professional business plan is frequently a necessary though not sufficient step in obtaining financing for a new venture. A polished, comprehensive and realistic presentation helps excite potential investors about any new business.

A. OMBUDSPERSON

I will ask a student in the class to act as an ombudsperson so that any complaints or suggestions concerning the class can be relayed to me without concern on the student's part that their grade could be affected.

January 17, 2008

Ombudsperson:

Email:

Phone:

B. OFFICE HOURS -- ACCESS TO THE INSTRUCTOR

Office hours:

Tuesdays and Thursdays 4:30 pm – 5:30 pm by advance email appointment

Office hours location: Huntsman Hall or Vance 428

C. ATTENDANCE

Class attendance is crucial to obtain the value of MGMT 230. All students are expected to be in class ***on time*** out of respect to all other students. ***Please bring your name plate to every class as there will be over 50 students this semester.***

Each student may miss two classes without penalty at their discretion, except those during which their team will be making a presentation. Beyond those two, attendance is mandatory with the exception of documented medical and family emergencies. After that, class participation and overall grade will be lowered.

D. GUEST SPEAKERS

There will be a number of guest speakers including entrepreneurs and others with relevant experience. These are generous professionals who donate their time for your benefit and they deserve your most respectful behavior.

E. READINGS

Required readings will be in the bulk pack available through Wharton Reprographics in Steinberg Hall – Dietrich Hall. Business Week, Inc, and Entrepreneur magazine are not required reading, but are frequently useful and relevant.

F. GOALS

After completing this course, you should be able to evaluate and develop a professional quality business plan with appropriate assistance, understand the rewards and risks associated with

entrepreneurial ventures, and understand the nature of the processes for transforming ideas into operational businesses.

2. THE VENTURE TEAMS

Each team will be comprised of five students responsible for the research and development inherent in converting a business idea into both a viable written business plan and a polished presentation of that plan. Every team must develop an original business plan. Teams and/or team members who substantively copy their plan's ideas or content from the internet or any other source will be reported to the Office of Student Conduct. Please read the Code of Academic Integrity (<http://www.vpul.upenn.edu/osl/acadint.html>) which states:

If a student is unsure whether action(s) constitute a violation of the Code of Academic Integrity, then it is that student's responsibility to consult with the instructor to clarify any ambiguities.

You should think through all the key aspects of a new business when evaluating an idea for your plan including the nature and legality of the product or service, direct and indirect competition, barriers to entry, total and target markets, business strategy, and financial opportunities and risks. Make sure you can clearly and concisely state the opportunity – the need or want your product or service fulfills. The plan should have the potential to deliver an unusually high return on investment. ***Simple plans for real estate development, restaurants, dry cleaners, pizza shops and the like are not sufficient for this course. When in doubt, contact the instructor.***

Your team may be called on to present portions of their plan in class without affecting grades. These partial presentations will benefit all students.

3. PRESENTATIONS AND WRITTEN SUBMISSIONS

1. Business Concept

Due online and as two hard copies at 3:00 pm, Tuesday, January 29, 2008

Description – Each student will have 1 minute of class time to outline their original business concept. No slides are necessary.

2. Team Formation

Due online and as two hard copies at 3:00 pm, Tuesday, February 5, 2008

Description – Teams of five students will be formed with all contact information available online and on paper. Every team member must email the instructor and the student who developed the business concept confirming their choice of that team. This decision can not be changed; it is your team's collective responsibility to ensure that all members are truly dedicated to the idea. Include the team's name and the names, telephone numbers, email addresses, and a paragraph for each member describing their background and work experience.

3. Business Concept and Value Proposition

Due online and as two hard copies at 3:00 pm, Thursday, February 14, 2008

Description – Each team must submit two printed copies of a document no longer than three pages, double spaced, Times Roman font 12 or larger, describing their business. This should include a description of the envisioned product or service, the customer need or desire to be met by the product or service, the overall business and financial models, and key risks and rewards. Each team should be prepared to make a presentation to the class of five minutes or less explaining their business concept and value proposition for customers and investors.

4. Business Plan – written and in presentation form

Due online and as four hard copies of the written plan and presentation slides at 3:00 pm, Thursday, April 17, 2008

Description: The entire business plan and the entire set of presentation slides.

Late submissions will not be accepted. No excuses.

The business plan must be no longer than 35 pages including all graphs, charts and appendices, all margins 1”, Times Roman font 12 or larger, single spaced, stapled, with sequential numbers on every page. The presentation must take no longer than 15 minutes *including set up time*. Any deviation from these requirements will result in lowering of grades.

4. GRADING

Performance in three areas will determine your grade for this course. The three areas are:

Business Plan – written plan and its presentation (Written plan – 30%, Presentation – 20%)	50%
Business Plan – your individual contribution	25%
Class Participation and Quizzes	25%

Your team’s written plan and its presentation, along with your individual contributions to the plan, represent 75% of your grade in this course.

A. Business Plan – written and presented (50% of grade in course)

The written portion of the plan consists of the following subsections:

1. Executive Summary (10 % of written plan portion of grade)

The summary must be clear, concise, and engaging.

2. Opportunity: the company, its product and/or services
(10% of written plan portion of grade)

The business opportunity must be clearly described. Your products and/or services must be clearly defined both in terms of total and target market size. The value proposition needs to be clear and compelling. This section should include descriptions of your offering's features and benefits, barriers to entry and distribution mechanisms. Make sure you identify essential direct and indirect competitors and plans to mitigate the risks they pose.

3. Markets and Strategy (15% of written plan portion of grade)

Define the total market and the target market(s) your analysis has identified. Secondary research from credible third parties should accompany primary research results. Describe your revenue model including sources and timing. Define your customers' characteristics, state of the industry, analyze your competition and show how your business offers competitive advantage worth pursuing. Explain the business strategy and process.

4. Marketing, Sales and Operations (15% of written plan portion of grade)

Define the theory and implementation of your product/service creation, distribution and support systems. Explain the marketing and sales processes based on the total and target markets identified in the Markets and Strategy section of the plan. Identify the techniques used for customer acquisition, maintenance and support. Provide a realistic list of dates for critical events to be completed as well as contingency plans and consequences if dates are not met. Describe the key risks to the company's success and how you plan to mitigate those risks.

5. Management (10% of written plan portion of grade)

Identify the key personnel needed to execute the business plan successfully, including an organizational chart with reporting relationships. Describe sources and processes for finding and evaluating potential employees as well as motivating and retaining those hired.

6. Financial Projections (15% of written plan portion of grade)

Five years of pro forma income statements, balance sheets and cash flow statements. Show annual figures for years one through five in addition to quarterly numbers for years one and two. Clearly describe all assumptions in detailed notes accompanying the statements. Show breakeven sales levels and net present values for the projections.

7. Offering (0% of written plan portion of grade)

Present a proposal for investors describing what they would receive for investing in your business, including capital requested, use of funds, timeframes, corporate and financial structure, and exit strategies.

8. Appendices/Exhibits (15% of written plan portion of grade)

Relevant material including detailed marketing research, proposed contracts, advertisements, reference letters, articles, charts and graphs, resumes, competitors' materials, price list, suppliers' prices and information, etc.

9. Plan viability and quality of written plan as a whole
(10% of written plan portion of grade)

The plan should be viable and practical. It should be well organized and integrated. Pay attention to details including spell-checking and appearance as well as overall quality.

Interim submissions

Your team may be required to provide draft versions of sections of the plan periodically. These will not affect your grade unless they are not available on time.

Formal Presentation (10% of grade in course)

Your team will present the final plan to the entire class. The presentation should be well organized, polished, and within required time limits. Your ability to respond to challenging, critical questions will be evaluated and considered in the grading.

Teams will make their final presentations during the last three classes. All teams are expected to attend these three classes in business attire. All teams must be ready to present on Tuesday, April 22. Presentation order will be random and not known in advance.

B. Business Plan – Your Individual Contribution (25% of grade in course)

Two components will determine your individual contribution to the business plan. They are your activity diary and your teammates' evaluations of your contribution.

Activity Diary

The activity diary is a complete detailed listing of the time, date, duration and nature of your individual work on the business plan. Include web sites visited, phone calls made including person called, their function and phone number; journals, periodicals and other literature you reviewed, trips to potential customers, suppliers, conferences, etc. ***which you have done alone. Do not include team work, team meetings and the like.*** You are required to be able to produce a current Activity Diary online and on paper at any time. Examples will be available on the Webcafe site.

Team Evaluation

Each member of a business plan team will rate the effort of all other team members, and this rating will affect your grade. This technique is intended to reduce the "free-rider" phenomenon.

C. Class Participation and Quizzes (25% of grade in course)

You are expected to prepare all assignments on time and be prepared to discuss cases and readings coherently in class. The quality of your comments should reflect thorough analysis, insight and synthesis of ideas and approaches to problem identification and solution. The ability to identify the key managerial issue or issues in any situation is a critically important skill all effective entrepreneurs need. Quantity of comments is less important, but insights are expected from every student. Simply describing the situations or restarting what one has heard will not be considered insightful.

Quizzes

There will be unannounced quizzes.

5. INTELLECTUAL PROPERTY

In this class you are entirely responsible for protecting your intellectual property. Do not disclose any information which you do not want in the public domain. The Instructor can not sign any non-disclosure agreements related to this course.

6. CLASS CALENDAR – SUBJECT TO CHANGE

Management 230 Course Outline for Spring 2008 Lawrence Gelburd				
	Classes		Topic	Submissions due at 3:00 pm
Number	Day	Date		
1	Thursday	1/17/2008	Introduction and Overview	
2	Tuesday	1/22/2008	Business Plan - purpose, content and format	
3	Thursday	1/24/2008	Concept creation and evaluation	
4	Tuesday	1/29/2008	Student concept presentations	Business concept
5	Thursday	1/31/2008	Student concept presentations and team building	
6	Tuesday	2/5/2008	The Big Three: Executive Summary, Management and Financials	
7	Thursday	2/7/2008	Barriers to entry and differentiation	
8	Tuesday	2/12/2008	Investment Deal Structures	
9	Thursday	2/14/2008	Financial projections, models and notes	Business concept and Value proposition
10	Tuesday	2/19/2008	Niche vs. total segment strategies	
11	Thursday	2/21/2008	Intellectual property and Risk management	
12	Tuesday	2/26/2008	Marketing research and surveys	

13	Thursday	2/28/2008	Strategic partners and Joint ventures	Activity Diary
14	Tuesday	3/4/2008	Direct and indirect competition	
15	Thursday	3/6/2008	Venture Finance - Debt, Equity and Beyond	
	Tuesday	3/11/2008	No class	Spring Break
	Thursday	3/13/2008	No class	Spring Break
16	Tuesday	3/18/2008	Corporate structures and financing	
17	Thursday	3/20/2008	Balancing analysis and action Guest	
18	Tuesday	3/25/2008	Teams meet – No Class	
19	Thursday	3/27/2008	Practice Presentations	

	Classes		Topic	Submissions due at 3:00 pm
Number	Day	Date		
20	Tuesday	4/1/2008	Intrapreneurship	
21	Thursday	4/3/2008	Commerce, industry, government and individuals	
22	Tuesday	4/8/2008	Legal, ethical, practical issues	
23	Thursday	4/10/2008	Appendices	
24	Tuesday	4/15/2008	Growth, stasis, failure - How does it end?	
25	Thursday	4/17/2008	Presenting the Plan and class review	Completed Business Plan and Presentation
26	Tuesday	4/22/2008	Business Plan Presentations	
27	Thursday	4/24/2008	Business Plan Presentations	
28	Tuesday	4/29/2008	Business Plan Presentations	