

MGMT 806-001: Formation and Implementation of Entrepreneurial Ventures
Fall Semester 2011
Tuesday and Thursday 9:00—10:30am

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Office Hours: by appointment

This course is an advanced course in entrepreneurship, which focuses on creation and implementation of business start-ups. The ultimate goal of the course is the development of an actionable business plan which will be consistently scrutinized and ultimately result in a pitch presentation to a group of investment professionals, practitioners and fellow students. We will draw from various readings, guest lecturers and one or two on site visits to start up environments to understand the true nature of entrepreneurship and its risks/rewards.

The course includes lectures, case studies, guest lecturers and time to discuss your projects in class. You are expected to consistently participate, submit assignments in a timely manner, and should expect to be frequently called upon to present portions of your business plan via “elevator pitches.” There are a limited number of readings and case assignments scheduled in the course outline below since the major learning will take place through application exercises and through researching and writing your business plans. The goal of these readings and exercises will be to better refine your business plan and concept.

To take this course you should have an actionable idea or concept that you think is worthy of exploration and more specifically a business plan. While assembling a team is not necessary to take this course, students may, at their choosing, work as a unit to construct a business plan. If a team based business plan, it is preferable that the size of the group is 2 students. In the case of a joint project, there will be consistent monitoring and weighted effort assignments to prevent freeloading and the like.

The final output of the course will be a business plan for your proposed business and an investor presentation that you will “pitch” to a group of investment professionals, industry leaders and fellow students.

Date	Course Contents	Readings
09/08 Session 1	Introduction: Entrepreneurship—risks, pitfalls, benefits.	
09/13 Session 2	Discussion of venture concepts and potential business plan probabilities.	Segal (1), Urstadt (2) Hindy and Potter (3) Assignment: Be prepared to discuss your business idea and business plan goals.
09/15 Session 3	Guest Speaker Tom Szaky—Co-Founder, CEO TerraCycle	Szaky (4)
09/20 Session 4	Further discussion of venture concepts and potential business plan probabilities	McGrath and MacMillan (5,6, 7) Assignment: Be prepared to discuss your business idea and business plan goals.
09/22 Session 5	Competitive Analysis.	Assignment: Be prepared to discuss your past, current, and future competitors.
09/27 Session 6	Guest Speaker: Andrew Hamilton—Partner, Morgan Lewis & Bockius Agreements—Legal Structure of Start Ups. Co-founders, options, early employees, exit strategies.	
09/29 Session 7	Marketplace Analysis.	Assignment: Be prepared to discuss your concept's audience and market.
10/04 Session 8	Marketplace Analysis	Assignment: Be prepared to discuss your concept's audience and market
10/06 Session 9	Management Team and Conceptual Narrowing	Hindy and Potter (8)
10/08	No Class—Fall Term Break	
10/13 Session 10	Guest Speaker: Anne Mahlmum (Founder and President: Back on My Feet).	
10/18 Session 11	Operations/User Experience	Assignment: Be prepared to discuss your company/product user experience and front/back end operational logistics.
10/20 Session 12	"To Market Strategy." Analysis of the company's roadmap, burn rate, and launch plans.	Assignment: Be prepared to discuss your company's 12-24 month milestones, objectives, goals, etc.
10/25 Session 13	"To Market Strategy." Analysis of the company's roadmap, burn rate, and launch plans.	Assignment: Be prepared to discuss your company's 12-24 month milestones, objectives, goals, etc.
10/27 Session 14	Summary Page and "The Ask" Further discussion Structure/Design/Formatting	Assignment: Be prepared to discuss your financial offering and/or capitalization pitch to investors.
11/01 Session 15	Business Plan Outline/Structure/Design/Format	Assignment: Be prepared to submit outline and structure of business plan.

11/03 Session 16	Guest Speaker: Barry Silbert (Founder and CEO: Second Market)	
11/08 Session 17	Executive Summary: Gateway to the Business Plan	
11/10 Session 18	The “Pitch”	Elsbach (9)
11/15 Session 19	The “Pitch”	Elsbach (9)
11/17 Session 20	Guest Speaker—TBD	
11/22 Session 21	The Capital Raise.	Sahlman, (10) McGrath & MacMillan (11)
11/24	No class—Thanksgiving Break	
11/29 Session 22	Final Pitches	Investor Pitches to investment professionals and fellow students.
12/01 Session 23	Final Pitches	Investor Pitches to investment professionals and fellow students.
12/06 Session 24	Final Pitches	Investor Pitches to investment professionals and fellow students.
12/08 Session 25	Final Class	
12/13	Final Business Plan due	

The course grade will be a composite of the following:

Individual class participation	35%
Business plan	50%
Final Investor Pitch	15%

If you elect to take this class you are assumed to agree to the following conditions:

1. You recognize that the course is graded to a curve, with the class average targeted to be 3.33.
2. You recognize that the instructor will take great care to grade as fairly and evenly as possible and will not discuss grades at the end of the course.

Grading of Business Plan

The plan should be no more than 20-24 pages, 1 ½ space, 10 point.

Appendices can be an additional 10 pages, for a maximum of 30 pages

The following criteria will be used in grading your final written plan:

Section	Points	Description
<i>Investor Pitch</i>	15	<i>Power Point presentation that would take no more than 8 minutes to pitch to potential investors that describes the concept, plan, and desirability of the venture.</i>
<i>Executive Summary</i>	10	<i>Clear, exciting & effective as a stand-alone overview of the venture. Think about a 2-3 pager that you would distribute as a marketing document when out raising money or attracting partners.</i>
<i>Market Opportunity</i>	20	<i>Description of your offerings in terms of customer functions, segments, technologies and distribution channels. State the features, & benefits of your product/service, your perceived value proposition; the current stage of development, proprietary position, etc.</i>
<i>Company, Products & Services</i>	20	<i>Description of market opportunities; customer & competitor analyses, industry & competitive analysis. State and justify your overall business strategy, your competitive advantage; detailed descriptions of your business and revenue models, explain how and why you will “make it happen”. Use data & apply analytical techniques. Include business model and unit economics analysis.</i>
<i>Strategy, Marketing & Operations</i>	10	<i>Plans for production/delivery of product or services, details on distribution plans, product costs, required resources, detailed marketing & sales plans.</i>
<i>Financial Section</i>	5	<i>Presented in summary form, include P&L and cash flow statements). Complete analyses of financial plan, financing plan & evaluation (quarterly for year 1, annually for years 2 to 5). Apply analytical techniques.</i>
<i>Management & Organization</i>	15	<i>Backgrounds of key individuals, ability to execute strategy, personnel needs, type of business, summaries of staffing requirements, organizational charts.</i>
<i>Offering</i>	5	<i>Proposal/terms to investors. Indicate how much equity you wish to raise, for what use, & when it is needed. Elaborate on ROI, the proposed structure of the deal, & possible exit strategies.</i>

Readings:

1. Segal, "Just Manic Enough: Seeking Perfect Entrepreneurs", New York Times
2. Urstadt, "What Amazon Fears Most: Diapers", Business Week
3. Hindy and Potter, "Beer School: Bottling Success at the Brooklyn Brewery", John Wiley & Sons, Inc., Chapter 11.
4. Szaky, "Revolution in a Bottle. How Terracycle is Redefining Green Business" , Penguin Group, Chapter 1,3,6, and 7.
5. "Discovering New Points of Differentiation" by R. Gunther McGrath and Ian C. MacMillan. Harvard Business Review, Vol. 75, no. 3, July-August 1997. pp 133-145
6. "Discover Your Products' Hidden Potential" by R. Gunther McGrath and Ian C. MacMillan. Harvard Business Review, Vol. 74, no. 3, May-June 1996. pp. 58-73.
7. "Discovery-Driven Planning," by R. Gunther McGrath and Ian C. MacMillan. Harvard Business Review, Volume 73, No. 4, July-August 1995. pp. 44-54.
8. Hindy and Potter, Chapters 1, 2, and 5.
9. Elsbach, "How to Pitch a Brilliant Idea", HBR reprint R0309
10. "How to Write a Great Business Plan" by W.A. Sahlman, Harvard Business Review, July-August 1997
11. "MarketBusting: Strategies for Exceptional Business Growth" by R. Gunther McGrath and Ian C. MacMillan. Harvard Business Review March 2005. pp80-92.