

MGMT 231:: Entrepreneurial Venture Initiation
 Fall Semester 2012
 Tuesday and Thursday 3:00—4:30pm

Instructor: Patrick FitzGerald
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 Office Hours: by appointment

This course is an advanced course in entrepreneurship, which focuses on the implementation phase of business start-ups. The ultimate goal of the course is the realization and development of portions of your business plan. Beyond implementation of the various components of your plan, the class will 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 a previously well-defined business plan that is worthy of development and potential launch in the next six to twelve months. 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 2-3 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
09/06 Session 1	Course Introduction	
09/11 Session 2	Entrepreneurship—risks/pitfalls/benefit Venture Concepts	Segal (1), Urstadt (2) Hindy and Potter (3) Assignment: Be prepared to discuss your business idea and business plan goals.
09/13 Session 3	Venture Concepts	Szaky (4) Assignment: Be prepared to discuss your business idea and business plan goals
09/18 Session 4	Guest Lecturer: Lou Rappaport, Partner, Blank Rome Legal Structure of Start Ups. Co-founders, options, early employees, exit strategies	Assignment due: Conceptual Narrowing McGrath and MacMillan (5,6, 7)
09/20 Session 5	Follow up legal discussion regarding structure, equity, exit, costs, etc.	
09/25 Session 6	Competitive Outreach and Partnerships	
09/27 Session 7	Competitive Outreach and Partnerships Part II Marketplace Analysis.	Assignment due: Competition Analysis
10/02	Marketplace Analysis	Assignment: Be prepared to discuss your

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Session 8		concept's audience and market
10/04 Session 9	Management Team (Hiring/Firing)	Hindy and Potter (8)
10/09 Session 10	Guest Speaker: Ryan Moore, Atlas Ventures	Assignment due: Management Team
10/11 Session 11	Management Team Part II (Hiring/Firing) Operations/User Experience	Assignment: Be prepared to discuss your company/product user experience and front/back end operational logistics.
10/16 Session 12	Operations/User Experience part 2.	
10/18 Session 13	Guest Lecturer Robert Moore, RJ Metrics	Assignment due: Operations/User X Analysis
10/23 Session 14	No class—Fall Break	
10/25 Session 15	Roadmap/To Market Strategy	Assignment: Be prepared to discuss your company's 12-24 month milestones, objectives, goals, etc.
10/30 Session 16	Roadmap to To Market Strategy Part II	Assignment due: Roadmap/Marketing Strategy
11/01 Session 17	Capital Raise 1	Elsbach (9)
11/06 Session 18	Paul Raden Guest Lecturer Relay Network The "Pitch"	
11/08 Session 19	Capital Raise II	Assignment: Be prepared to discuss your offering/amount of capital needed/valuation
11/13 Session 20	Financial Analysis	Assignment: Be prepared to discuss your financials · Sahlman, (10) McGrath & MacMillan (11)
11/15 Session 21	Executive Summary: Gateway to the Business Plan	
11/20 Session 22	No Class Thanksgiving	
11/27 Session 23	Demo Pitch Deck Creation	
11/29	Final Pitches	Investor Pitches to investment professionals and fellow students.
12/04	Final Pitches	Investor Pitches to investment professionals and fellow students.
12/06	Final Pitches	Investor Pitches to investment professionals and fellow students.

The course grade will be a composite of the following:

Individual class participation	35%
Assignments	15%
Business plan Action Items	35%
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 Action Items

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 work in the class written plan:

<i>Section</i>	<i>Points</i>	<i>Description</i>
<i>Investor Pitch</i>	20	<i>Power Point presentation that would take no more than 6 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>	15	<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.