

The Wharton School
The University of Pennsylvania

Management 806:

***FORMATION AND IMPLEMENTATION OF
ENTREPRENEURIAL VENTURES***

Course Syllabus

Spring 2015

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I. OVERVIEW

"You miss 100% of the shots you never take" (Wayne Gretzky)

"look before you leap" (common sense)

The purpose of this class is to train you in a set of approaches that can be used to build and test the business plan for an entrepreneurial venture. Throughout the semester, you will apply tools such as business model design, interviews, surveys, and minimum viable product testing to systematically refine and validate a new venture concept. As a part of this, you will be pitching your idea at multiple times to your classmates and, ultimately, to a panel of investors.

Throughout the class, you will be expected to apply skills learned in Management 801, as well as strategy, marketing, accounting, finance, and other Wharton classes. All of the readings for your assignments (with the exception of the book *Business Model Generation*), can be found in the Course Pack on Study.Net. Many additional resources are available on the course Canvas site.

Extensive group work outside of class is essential!

Class Policies

Intellectual Property: The class, by necessity, will involve your classmates learning about your business idea. The philosophy of the class is that you are far more likely to be helped than hurt by sharing your idea. Still, you are entirely responsible for protecting your own intellectual property. I do not sign non-disclosure agreements.

Academic Honesty: **Under no circumstances should you pass off the work of another as your own.** That means that you must cite sources, and, if quoting a source, properly indicate which material is quoted and which is original: never copy and paste material from a source into an assignment. Failure to properly attribute work will result in, at a minimum, a failing grade for the assignment. Also, ***if you have worked on your business idea in other classes, you will need to tell me how the work performed in this class will be original.***

II. ASSIGNMENTS AND GRADING

Individually Assigned Grades	35%
<i>Memo of Introduction</i>	--
<i>Class participation</i>	25%
<i>Peer evaluation</i>	10%
Group Assignments	65%
<i>Preliminary business model</i>	--
<i>Venture update blogs x 5 (5% each)</i>	25%
<i>Mid-term update</i>	10%
<i>Final business plan and pitch</i>	30%

**ASSIGNMENTS ARE DUE BEFORE CLASS, OR BEFORE NOON
IF THE DEADLINE IS NOT ON A DAY WHERE THE CLASS MEETS**

LATE SUBMISSIONS WILL NOT BE ACCEPTED

Memo of Introduction (MOI)

The purpose of this assignment is for you to let me know a bit about you are and what makes you tick. This will help me to tailor some of the course material to your interests and experiences, and is helpful in terms of just knowing who I'm talking to every Monday and Wednesday. The assignment is not graded, but will count toward your class participation score.

Your MOI should include (but need not be limited to):

- A bit about where you're from and how you ended up at Wharton
- Something interesting about yourself
- Experience in MGMT 801 (venture idea and whether you're planning to pursue it in this class)
- What you want to get out of this course

Submission Guidelines: Through Canvas. ~500 words.

Preliminary Business Model

This ungraded assignment will form the basis for the 'Defending your Model' in-class exercise. The assignment is to write a one-page executive summary of your venture idea, preliminary model, and supporting evidence gathered to date. These items will be shared with another team, who will be charged with innovating on your model, by altering one or more of its components. The class will hear both versions of the model and vote on which they think is best.

Venture Update Blogs

Given that the primary aim of the class is to design and develop a plan for a potentially viable business, I will be asking you to blog about your venture throughout the term. The idea is to implement course concepts and then log the implication for your venture and its progress. I will offer some guidelines for topics and content, but you don't need to limit your blogs to the last lecture/case/challenge. I just want to see progress in your business model that is guided by solid evidence. This will also provide you with a series of snapshots of your venture/learnings which you can refer back to over time.

Each post should be loosely organized around the following topics:

- This is what we thought (key assumptions and associated hypotheses)
- So this is what we did (steps taken to test the hypothesis... this may include archival research, interviews, surveys, MVP testing, or other approaches)
- This is what we learned (data collected and what it tells you)
- And this is what it means (implications for next steps)

Submission Guidelines: Post to your team's Blog. ~500 words for each blog.

Mid-term Update

In a more expansive blog post, you will provide a snapshot of your progress through the first half of the semester as well as your plan for taking things forward. You will be graded on the extent of progress made, the coherence of your development and testing approach, the amount, quality, and appropriateness of evidence gathered, and the quality of your plan to take things forward.

Submission Guidelines: Post to your team's Blog. ~1500 words.

Final Business Plan and Pitch

Detailed assignment instructions are posted on Canvas.

Class Participation

Participation is a big part of effective learning, and I recognize that this can take a variety of forms. Attendance is a minimal requirement. It is important that you come to class prepared and on time. Failure to do so will adversely affect your participation score. I'll give you 1 unexcused absence. Other than that, you can earn participation points in a variety of ways:

1. **Participating in classroom discussions** – quality is important here; try to link your comments to the readings, relevant personal experiences, or previous class discussions.
2. **Written reflections on class discussions/readings** – a couple of paragraphs outlining your thoughts, insights, or connections with the venture that you're working on.
3. **Performance in ongoing challenges** – as a part of your team, you'll be participating in a variety of challenges over the semester. Do well, get participation points.
4. **Written comments to your peers** – each group will be presenting a number of times throughout the semester. If you want to write down some of your thoughts and send them to another team, cc' me and I'll give you get credit for it.
5. **Pre-class polls** – there will be polls before each session where we discuss a case (and for many others as well: I'll give you lots of notice).
6. **In person chat during office hours** – I always enjoy bouncing ideas and discussing ventures.

I'll make a note each time you do one of the above and how well you do it. At the end of the semester, everything will come together into a global assessment of your participation.

III. COURSE OUTLINE AT A GLANCE (subject to change)

Session		Topic	Deliverables
Nu.	Date		
1	W. Jan 14	Introduction & Course Overview	
	M. Jan 19	<i>Martin Luther King Junior Day (No class)</i>	
2	W. Jan 21	Venture Pitches	
3	M. Jan 26	The Business Model	
4	W. Jan 28	Disrupt! Creativity, innovation, and Blockbuster Products	Preliminary Business Model (ungraded assignment)
5	M. Feb 2	In-class Exercise: Defending your model exercise/competition	
6	W. Feb 4	The Lean Startup: Refresher on hypothesis testing	Blog 1: Your model, options considered, and reactions to the 'defending' exercise

7	M. Feb 9	Group Presentations: Assumptions and hypotheses	
8	W. Feb 11	In-class Exercise: Dr. Mean, Dr. Lean	
9	M. Feb 16	Guest Speaker: The power of running lean	Blog 2: Key assumptions, hypotheses, and initial tests
10	W. Feb 18	Customer Contact: Using interviews for customer insight	
11	M. Feb 23	Designing Effective Surveys	
12	W. Feb 25	In-class Exercise: Advanced Qualtrics training	
13	M. Mar 2	MVP Testing: Landing pages and other behavioral tests	
14	W. Mar 4	In-class Exercise: Building your MVP	Blog post: Mid-term update
March 5-15		Spring Break – no classes	
15	M. Mar 16	Guest Speaker: Hypothesis testing – tales from the trenches <i>Guest Speaker:</i> Joey Hundert, CEO, Sustainitech	
16	W. Mar 18	Creating Value: Revenue models and monetization	
17	M. Mar 23	Group Presentations: progress and plans	Blog 3: What we thought, what we did, what we learned.
18	W. Mar 25	Resources: Attracting money, people, and partners	
19	M. Mar 30	Group Presentations: progress and plans	Blog 4: What we thought, what we did, what we learned
20	W. April 1	Funding innovations: Crowdfunding, Kickstarter, and equity <i>Guest Speaker:</i> Alejandro Cremandes, CEO, RockthePost	
21	M. April 6	Group Presentations: progress and plans	Blog 5: What we thought, what we did, what we learned
22	W. April 8	The VC pitch: Strategies, delivery, and deck design	
23	M. April 13	Legal forms, Incorporation, and Structuring for Investment <i>Guest Speaker:</i> Kate Tepper, Duane Morris, LLP	
24	W. April 15	No class: Pitch prep time	
25	M. April 20	Practice pitches and coaching 1	
26	W. April 22	Presentations to VC panel 1	
27	M. April 27	Practice pitches and coaching 2	
28	W. April 29	Presentations to VC panel 2	Group Business Plan Due

IV. READING LIST – MGMT 806 Spring 2014, Prof. Wry

Session 3: Business Models

“The business model” by R. Amit and C. Zott, the *Blackwell Encyclopedia of Entrepreneurship*.

“Business Model Analysis for the Entrepreneur” HBS note 9-812-096.

“How to Write a Great Business Plan” by W.A. Sahlman, *Harvard Business Review*, July-August 1997, pp.98-108 (reprint 97409) and the short Q&A “Updating a Classic” <http://hbswk.hbs.edu/item/5993.html>

Session 4: Disrupt! Business Model Innovation

“Creating Value through Business Model Innovation” by R. Amit and C. Zott, *Sloan Management Review*, 2012

“Startups Rarely do Anything Well” <http://venturefizz.com/blog/startups-rarely-do-anything-well>

Session 6: The Lean Startup

“Hypothesis driven entrepreneurship: The lean startup” by T. Eisenmann, E. Ries, S.Dillard, HBS Note 9-812-095.

Session 9: Dr. Mean, Dr. Lean Exercise

Review:

“The Hypothesis Driven Startup” by T. Eisenmann, E. Ries, S. Dillard, HBS Note 812-095.

Bring to class:

“Business Model Analysis for the Entrepreneur” HBS note 9-812-096.

Session 10: Customer Contact

“Customer discovery and validation for entrepreneurs” by F. Cespedes, T. Eisenmann, S. Blank. HBS note 9-812-097

“Customer visits for entrepreneurs” by F. Cespedes, HBS note 9-812-098

<http://giffconstable.com/2010/07/12-tips-for-early-customer-development-interviews/>

Session 11: Designing Effective Surveys

Session 13: MVP Testing

“The Lean Startup” by E. Ries. Chapter 4 [optional]

“Dropbox: It just works!” HBS case 9-811-065

Review: “Hypothesis driven entrepreneurship: The lean startup” by T. Eisenmann, E. Ries, S.Dillard, HBS Note 9-812-095.

Session 16: Revenue Models and Monetization

“Entrepreneurs at Twitter: Building a Brand, a Social Tool or a Tech Powerhouse?” by S. Parker & K. Mark. Ivey Case 9B10M028

Session 18: Resources

"Uber: 21st Century Technology Confronts 20th Century Regulation". by S. Callander & D. Hoyt. Stanford GSB Case P81.

"Catalyzing strategies and efficient tie formation: How entrepreneurs obtain venture capital Ties" B. Halen, K. Eisenhardt. *Academy of Management Journal*, 2011. (link to be provided)

"Cultural Entrepreneurship: Stories, Legitimacy, and the Acquisition of Resources". M. Lounsbury, MA. Glynn, *Strategic Management Journal*, 2001 (pgs. 1-8) (link to be provided)

Session 20: Funding Innovations

"The dynamics of crowdfunding: An exploratory study". by E. Mollick. *Journal of Business Venturing*, 2013 (link to be provided)

Session 22: The VC Pitch

"How to Pitch a Brilliant Idea" by K. Elsbach, *Harvard Business Review*, September 2003, p. 117.

"Defend your Research: We can Measure the Power of Charisma" by A. Pentland, *Harvard Business Review*, Summer 2009, p. 35.

And compare them to:

"How Facts Change Everything (if you let them)" by E. Tufte, *MIT Sloan Management Review*, Summer 2009, p. 35.

"Entrepreneur Passion and Preparedness in Business Plan Presentations: A Persuasion Analysis of Venture Capitalists' Funding Decisions" by X.P. Chen, X. Yao, and S. Kotha, *Academy of Management Journal*, 2009, 52, p. 199 [read the introduction, pp. 199-200, and discussion pp.209-211]

Session 23: Legal forms, Incorporation, and Structuring for Investment

"A Note on the Legal and Tax Implications of Founders' Equity Splits" by N. Wasserman & L., HBS Note 9-809-110