MANAGEMENT 230: Entrepreneurship
Course Syllabus

Instructor: Lawrence Gelburd
Location: TBD
Time: Tuesdays and Thursdays, 3:00pm to 4:20pm
First Class: Thursday, January 15, 2009

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Course 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.

Students interested in entrepreneurial, 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:

- Experience the process of venture definition – form a team of five motivated students who define and develop a business opportunity.

- 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.

- Balance analysis with action and theory with practice – use the strengths of your team and its contacts to develop these two essential skills.

- 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.

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.
Instructor and TA Information

INSTRUCTOR: Lawrence Gelburd
Email: lgelburd@wharton.upenn.edu
Phone: 215 563 7147
Cell Phone: 267 408 0659

Office hours:
By advance appointment only

Lawrence Gelburd earned a Bachelor of Science in Electrical Engineering from Brown University in 1977. Two years later, he joined four other entrepreneurs to form Pittsburgh-based high-tech company American Auto-Matrix (AAM). During the next ten years, the company raised over $7 million in venture capital and employed more than 80 people. AAM developed cutting-edge microprocessor-based, networkable monitoring and control systems for environmental, process, fire and security applications in commercial and industrial facilities. While with AAM, Lawrence worked as an engineer, manager, product planner, and director of national and international accounts. He traveled extensively, selling products and training customers across the U.S., Great Britain, Singapore, and Japan. He was a member of the ASHRAE special project committee which created ANSI/ASHRAE Standard 135-2001, BACnet -- A Data Communication Protocol for Building Automation and Control Networks, now approved as International Organization for Standardization ISO 16484-5 and European Committee for Standardization CEN 16484-5. In 1989, the prestigious consulting firm Frost and Sullivan hired Lawrence as a reviewer for their report on Fuzzy Logic Computing Techniques. AAM was sold in 1989.

Lawrence received his MBA from Wharton in 1991 with a concentration in Marketing. Lawrence is an independent consultant, developing business plans and strategies for a variety of low and high tech start-ups. At Penn, Lawrence is a Lecturer, teaching Management 230: Entrepreneurship and Management 406: Formation and Implementation of Entrepreneurial Ventures at the Wharton School, as well as Engineering and Applied Science 445/545: Engineering Entrepreneurship at the School of Engineering and Applied Science. He also teaches business plan development and consults for the Wharton Small Business Development Center, and teaches in the Leadership in the Business World program at Wharton. In addition, he is also an Entrepreneurial Fellow at Penn's Weiss Technology House and is an Executive in Residence for the Science Center. Lawrence is also an accomplished record producer, working with Grammy winner Phil Nicolo.

TEACHING ASSISTANT:
Course Policies

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 40 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.

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. The ombudsperson’s contact information will be listed in WebCafe.

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

- Business Plan – written plan and its presentation 50%
  (Written plan – 30%, Presentation – 20%)
  - Both the plan and presentation will be graded along 4 lines, each with a 5 point scale.

- Business Plan – your individual contribution 25%
  - Team Evaluation – 10%
  - Activity Diaries – 15%

- Class Participation 25%
  - Daily comments graded on a 1,2,3 scale – 10%
  - Unannounced Quizzes – 15%

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 cannot sign any non-disclosure agreements related to this course.
**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.
Presentations and Written Submissions

SEE SCHEDULE FOR CORRESPONDING DUE DATES. Assignments are due at the START of class. All assignments are due both in two (2) hard copies and as a post to WebCafe (unless otherwise specified).

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.

Business Concept
Description – Each student will have 1 minute of class time to outline their original business concept. No slides are necessary. Student is to hand in a (maximum) one page written summary of their concept.

Team Formation
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.

Business Concept and Value Proposition
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.

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.
Business Plan – written and in presentation form

Due online and as four hard copies of the written plan and presentation slides

Description: The entire business plan and the entire set of presentation slides. Late submissions will not be accepted. No excuses. 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 Thursday, April 13. Presentation order will be random and not known in advance.

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.

The written portion of the plan should consist of the following subsections:

Executive Summary
(10 % of written plan portion of grade)
The summary must be clear, concise, and engaging.

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.

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.

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.

**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.

**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.

**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.

**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.

**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. Presentation counts in real life and it counts in this course too.
# Course Schedule

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