

**MGMT 806-001: Formation and Implementation of Entrepreneurial Ventures**  
**Spring Semester 2011**  
**Tuesday and Thursday 3:00-4:30 pm**

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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 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 participate and should expect to be cold-called. 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.

The structure of the course is a deliberate blend of three different perspectives. Most of the course will be devoted to working on your business plans. There will also be lectures and discussions based on research in the area of entrepreneurship done by the Snider Entrepreneurial Research Center and various articles and case studies. Students are expected to apply these research findings to application exercises from which the final business plan will be assembled. The purpose of the application exercises is to pace you through the many pieces of the business plan as you work through the course. The business plan is really a portfolio of mini-plans around important planning and implementation issues consolidated into a single document. Since this is a graduate course, I expect that you will be capable of integrating the materials and applying them to your specific project. The third component of the course will be devoted to a series of expert sessions presented by practitioners from the field that will lecture on their selected topic and then engage in discussion with the class.

To take this course you must 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 practitioners.

Date	Course Contents	Readings
01/13 Session 1	Introduction: Entrepreneurship—risks, pitfalls, benefits.	
01/18 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.
01/20 Session 3	Further discussion of venture concepts and potential business plan probabilities.	Assignment: Be prepared to discuss your business idea and business plan goals.
01/25 Session 4	Consumption Chain Analysis.  <i>Speaker: Keys to Consumer Understanding</i>	McGrath and MacMillan (4,5,6)  Assignment: Be prepared to discuss your audience and market.
01/27 Session 5	Consumption Chain Analysis.	Assignment: Be prepared to discuss your audience and market.
02/01 Session 6	Agreements—Legal Structure of Start Ups. Co-founders, options, early employees, exit strategies.  <i>Speaker: Legal Structure of Start Ups</i>	
02/03 Session 7	Executive Summaries---Gateway to the business plan.	Assignment: Be prepared to discuss and analyze your Executive Summary (2 pg treatment of your plan).
02/08 Session 8	Executive Summaries---Gateway to the business plan.	Assignment: Be prepared to discuss and analyze your Executive Summary (2 pg treatment of your plan).
02/10 Session 9	Management Team <i>Speaker: Entrepreneurial Partners and Management</i>	Hindy and Potter (7)
02/15 Session 10	Revenue Streams and Financials	Assignment: Be prepared to discuss revenue streams and overall financial structure.
02/17 Session 11	Further discussion on Revenue Streams and Financials	Assignment: Be prepared to discuss revenue streams and overall financial structure.
02/22	Competition	Assignment: Be prepared to discuss your

Date	Course Contents	Readings
Session 12		competitors (potential or otherwise)
02/24 Session 13	The Art of Pitching— <i>Speaker: The Perfect Pitch from the VC and Entrepreneur's Perspective</i>	Elsbach (8)
03/01 Session 14	Executive Summary to Business Plan. Turning a great elevator pitch into a great business plan.	Sahlman, (9) McGrath & MacMillan (10)  Assignment: Be prepared to submit outline and structure of business plan.
03/03 Session 15	<i>Class Seminar session:</i> Milestone/assumption maps  Class Presentations: Present milestones and assumption maps to class	In class: PowerPoint of milestones and assumptions
03/08	No class	
03/10	No class	
03/15 Session 16	Financials	Assignment: Draft Financial Strategy/ Pro Forma
03/17 Session 17	Financials	Assignment: Draft Financial Strategy/Pro Forma
03/22 Session 18	Operations <i>Speaker: What will you do to keep this company alive?</i>	
03/24 Session 19	Operations	Assignment: Be prepared to discuss operational issues and solutions.
03/29 Session 20	Communications: Getting out there: Spreading the word, guerilla marketing, social media. Shoestring communications on a shoestring budget.	Assignment: 3 minute presentation centered on public relations and communications strategy.
03/31 Session 21	The Capital Raise.	Assignment: In class negotiations with peer vcs and startups.
04/05 Session 22	The Capital Raise.	Assignment: In class negotiations with peer vcs and startups.
04/07 Session 23	Exit strategies: going public, trade sales, recaps and bankruptcy.	
04/12 Session 24	Venture Politics Analysis & Management Transitions Case Study: Founder-CEO Succession at Wily	Wily (11) Wasserman (12)

<b>Date</b>	<b>Course Contents</b>	<b>Readings</b>
	Technology	
04/14 Session 25	Class Seminar Session: Capitalization, valuation, offering.	Assignment: Be prepared to discuss your financial offering and/or capitalization pitch to investors
04/19 Session 26	Class Seminar Session: Capitalization, valuation, offering.	Assignment: Be prepared to discuss your financial offering and/or capitalization pitch to investors
04/21 Session 27	Course wrap up: Pitch your plans to practitioners.	Assignment: Investor Pitches presented in class
04/26 Session 28	Course wrap up: Pitch your plans to practitioners.	Assignment: Investor Pitches presented in class

The course grade will be a composite of the following:

Individual class participation      30%

Business plan      70%

### Grading of Business Plan

The plan should be no more than 20-24 pages, 1.5 spaced, 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:

<b>Section</b>	<b>Points</b>	<b>Description</b>
<i>Investor Pitch</i>	30	<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>	20	<i>Clear, exciting &amp; 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, &amp; benefits of your product/service, your perceived value proposition; the current stage of development, proprietary position, etc.</i>
<i>Company, Products &amp; Services</i>	15	<i>Description of market opportunities; customer &amp; competitor analyses, industry &amp; 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 &amp; apply analytical techniques. Include business model and unit economics analysis.</i>
<i>Strategy, Marketing &amp; Operations</i>	10	<i>Plans for production/delivery of product or services, details on distribution plans, product costs, required resources, detailed marketing &amp; sales plans.</i>
<i>Financial Section</i>	15	<i>Presented in summary form, include P&amp;L and cash flow statements). Complete analyses of financial plan, financing plan &amp; evaluation (quarterly for year 1, annually for years 2 to 5). Apply analytical techniques.</i>
<i>Management &amp; Organization</i>	5	<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, &amp; when it is needed. Elaborate on ROI, the proposed structure of the deal, &amp; possible exit strategies.</i>

<b><i>Section</i></b>	<b><i>Points</i></b>	<b><i>Description</i></b>
<i>Appendices (maximum 10 pages)</i>	15	<i>Discovery Driven Plan with tornado chart and CheckPoint/Assumption table, Real options valuation, Consumption Chain with Attribute Map for major links, Venture politics analysis</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. "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
5. "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.
6. "Discovery-Driven Planning," by R. Gunther McGrath and Ian C. MacMillan. Harvard Business Review, Volume 73, No. 4, July-August 1995. pp. 44-54.
7. Hindy and Potter, Chapters 1, 2, and 5.
8. Elsbach, "How to Pitch a Brilliant Idea", HBR reprint R0309
9. "How to Write a Great Business Plan" by W.A. Sahlman, Harvard Business Review, July-August 1997
10. "MarketBusting: Strategies for Exceptional Business Growth" by R. Gunther McGrath and Ian C. MacMillan. Harvard Business Review March 2005. Pp 80-92.
11. Case: Founder-CEO Succession at Wily Technology [HBS 9-805-150]
12. "The Founder's Dilemma" by Noam Wasserman, Harvard Business Review, Reprint R0802G