

The Wharton School
The University of Pennsylvania

Management 806:

ENTREPRENEURSHIP

Course Syllabus

Spring 2013

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TA: TBD

Day, Time: MW, 12 – 1:30

Classroom: TBD

***“You miss 100% of the shots you never take” (Wayne Gretzky)
“look before you leap” (common sense)***

This class gives you the chance to dive deep into developing the idea for a new venture. Over the course of the semester, you and a group of your classmates will develop a business model canvas and work through a number of iterations where you identify and test key hypotheses; systematically refining, strengthening, and validating your idea. As a part of this, you will be pitching your idea at multiple times to your classmates and, ultimately, to a panel of potential investors.

The class is divided into two fairly equal parts:

- 1) The sessions before Spring Break will focus on foundational issues related to the development of your business idea: creativity, market analysis and segmentation, intellectual property, monetization, and innovation – the basic ingredients of your initial business model canvas. We will also start to discuss concepts related to hypothesis driven entrepreneurship and customer development. The key deliverable will be a rigorously researched, high-potential business model.
- 2) After the break, the focus will shift to getting outside of the building and testing the hypotheses in your business model. This will involve coming up with a well thought out customer research strategy which you will be tasked with implementing. You will present your progress to the class at multiple points where you will receive feedback and generate additional hypotheses. As a part of this, you will be asked to critically analyze your classmate’s projects and progress. The final deliverable will be a rigorously tested business model that you will present to actual equity investors, ***Shark Tank*** style.

You are expected to apply the skills you 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 to your success!

Class Policies

Grading: The details of grading will be explained in class. Your business model canvas and class participation are the major components of your grade. You will also be reviewed by your teammates at the end of class, and a failure to pull your weight in your team can have a large impact on your final grade.

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 talking about your idea with everyone who will listen. We can talk about why this is, if you want. In any case, 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 work – never just 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. If your business model canvas has been the subject of class projects in other classes, please tell me that and how the work performed for this class will be original.

II. ASSIGNMENTS AND GRADING

Assignments (70%) Participation (30%)

Individual Venture Idea (5%)

Jan. 16

Although you may decide to develop a classmate's idea, you will be asked to write-up and present a unique venture idea of your own design. Your business concept should require careful examination and definition of, among other things, customer needs (what problem are you solving? for whom?), product and service offering (how will you solve it? what is your perceived value proposition?), markets and financials (bottom up, how do you envision profiting from this concept?).

In addition, your idea should have the potential for wealth creation beyond the prospect of providing a "normal" salary for its founders. While I'm not intrinsically opposed to real-estate, retail businesses (e.g., restaurants) and service businesses (e.g., consulting services), these tend to be pretty derivative and aren't really in the spirit of the class. If you want to go this route, you'll need an interesting and innovative approach.

You will be peer-graded on this assignment, with your mark being equally weighted between the idea write-up and in-class presentation.

Deliverables: One page write-up; 5 minute presentation

Initial Business Model Canvas (20%)

Feb. 21

There are nine components to a business model canvas – partners, activities, resources, value proposition, customer relationships, channels, segments, costs, and revenues. While not all of these will be equally relevant to all venture ideas, you will need to address each. A template will be uploaded to the course website.

There are two key deliverables: a snapshot overview of your business model canvas and a supporting document that details the assumptions and research behind it. For each section, aim for about a page or so of double-spaced text that walks through and justifies what appears on the canvas. To be clear, these are rough guidelines. The key is to rigorously research your plan and show this in your write up.

You will also be asked to present your canvas to the class, though you will not be formally graded on this (however, if you are clearly maling it in, this will affect your participation mark... in potentially dramatic ways).

My assessment will be based on the quality and rigor of your research and the overall feasibility of the plan as presented.

Deliverables: Single page business model canvas snapshot; 8-12(ish) page supporting analysis.

Key Hypotheses (5%)

Mar. 13

In this assignment, you will develop an inventory of key hypotheses related to the success of your business model. Focus on assumptions that you have made which are crucial to the venture's success, reflect a lot of uncertainty; and seem testable. Describe each assumption and its relative importance.

You will be expected to submit a written inventory of key hypotheses and present these in class. While you will not be graded on your presentation, the caveat about participation applies. The presentations are also a valuable opportunity to solicit peer feedback and identify additional unforeseen assumptions in your model.

In my assessment, I will be looking for evidence that you have systematically analyzed the weak-spots that need to be tested in order to validate your idea.

Deliverables: A 2-3 page inventory of hypotheses to be tested and their importance to the venture; 10 minute in-class presentation

Customer Development Plan (10%)

Mar. 20

The purpose of this assignment is to come up with a plan to test your key hypotheses, build your customer profile and determine demand for your product/service. Be sure to consider your research strategies for both secondary and primary data. Be very specific as to your research methods. ***This assignment is the action plan for your team to conduct outside-the-building customer research.***

Deliverables: 4-6 page written plan detailing each hypothesis, your strategy for testing it, and consequences for the business depending on what you learn.

Revised Canvas (5%)

April 3

Same as the initial canvas assignment, but reflecting the changes made based on what you've learned by implementing your customer development plan. I'm particularly interested in seeing how your model has evolved and what new assumptions have emerged.

Again, you will be expected to present on your progress to the class. You will not be graded on this, but it is an important opportunity to solicit feedback and identify new assumptions or new ways to test existing ones.

Deliverables: Business model canvas showing which assumptions have been tested – with what result – and what the next steps are for each section.

Final Canvas (30%)

April 23

Same as the initial canvas assignment, but reflecting the changes you've made over the course of the semester. Again, I'm interested in seeing how things have developed and changed, as well as your assessment of the viability of the final plan.

There are three components to this assignment:

- 1) The business model canvas with 8-12 pages of supporting analysis that encompass the learnings from your initial research as well as your hypothesis tests (10%)
- 2) A 3-5 page analysis of the viability of your plan (10%)
- 3) A 10 minute presentation where you pitch your idea to a panel of equity investors (10%, based entirely on their evaluation of the pitch)

Individual Contribution Discount Rate

Your individual effort will be evaluated by each of your team members (out of 100%). This will be applied as

the discount rate on your group mark. For example, an average evaluation of 80% means that I will multiply your overall group mark by .8 to arrive at your final score.

Participation 30%

Participation is a big part of effective learning, and I recognize that this can take a variety of forms. To this end, I'll give you a number of ways to get participation points. There is no need to do all of these to get a good mark, though you're certainly welcome to. These include:

1. **Attending class** – pretty basic.
2. **Participating in classroom discussions** – quality is important here; try to link your comments to the readings, relevant personal experiences, or previous class discussions. I'm particularly interested in the quality of the contributions you make to your classmates' venture ideas.
3. **Written reflections on class discussions/readings** – a couple of paragraphs outlining your thoughts, insights, or connections with the venture that you're working on.
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 chatting entrepreneurship and bouncing ideas.

I don't follow a set method for quantifying participation. 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. A good rule of thumb is that if I don't know your name by the end of the semester, you probably aren't getting a good participation grade.

I'll give you monthly updates on which quartile you're currently in for participation and am happy to discuss options for getting your score up.

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

Session		Topic	Milestones
Nu.	Date		
1	W. Jan 9	Introduction & Course Overview	
2	M. Jan 14	Intro to Hypothesis driven ENT	
3	W. Jan 16	Venture idea pitch day!	Initial idea due
	M. Jan 21	<i>Martin Luther King Junior Day (No class)</i>	
4	W. Jan 23	The Business Model Canvas	Teams formed
5	M. Jan 28	Foundational Issues: Legal structures, share structures, and operating agreements	
6	W. Jan 30	Foundational Issues: Market size and segmentation	
7	M. Feb 4	Foundational Issues: Business models and monetization	
8	W. Feb 6	No Class: Teamwork Time	
9	M. Feb 11	Foundational Issues: Blockbuster Products	
10	W. Feb 13	Foundational Issues: Intellectual property	
11	M. Feb 18	No Class: Teamwork Time	
12	W. Feb 21	Initial canvas presentations	Venture Canvas due
13	M. Feb 25	Getting outside: The Lean Startup	
14	W. Feb 27	Getting outside: Talking to customers	
	March 2-10	<i>Spring Term Break (No classes)</i>	
15	M. Mar 11	Principles in Practice: Guest speaker	
16	W. Mar 13	Getting outside: Preparing for Customer Contact	Key Hypotheses due
17	M. Mar 18	Live Case: Presenting your Hypotheses	
18	W. Mar 20	Getting outside: Marketing your venture	Customer Research Plan due
19	M. Mar 25	No Class: Get out of the building!	
20	W. Mar 27	Foundational Issues: New Venture Finance – crowd funding and casual dating	
21	M. April 1	No Class: Get out of the building!	
22	W. April 3	Live Case: Presenting the revised canvas	Revised Canvas due
23	M. April 8	Principles in Practice: Guest speaker	
24	W. April 10	Skills for startups: Pitching	
25	M. April 15	No Class: Teamwork time	
26	W. April 18	No Class: Teamwork time	
27	M. April 23	Shark Tank	Final Canvas Due