The Wharton School
The University of Pennsylvania

Management 230:

ENTREPRENEURSHIP

Course Syllabus

Fall 2015

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I. OVERVIEW

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

MGMT 230 is the entry level course in Entrepreneurial Management and is a prerequisite to all other courses in the Wharton entrepreneurship curriculum. It is an integrative course—one that combines material introduced to you in core courses and applies it to the design and implementation of new ventures. Accordingly, *students are encouraged to have completed at least one course in each of marketing, management, OPIM, accounting, and finance.* The course may appeal to individuals who want to launch their own business or pursue employment with a start-up firm. Students who intend to work in the venture capital industry or in professional businesses supporting entrepreneurial firms will also benefit from the course.

The course is designed to be an experiential learning experience. Throughout the semester, you will work with a group of your peers to design and test a business model for a venture of your own choosing. While all types of ventures are theoretically 'in-bounds' here, the idea that you pursue should have *high growth potential and distinguish itself from existing companies through innovation* – for example, through an innovative product or service, an innovative production process, or a new market.

***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 then 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	***45%***
Individual idea assignment	*10%*
Class participation	*25%*
Peer evaluation	*10%*
Group Assignments	***55%***
Preliminary business model	*--*
Team blogs x 6 (2.5% each)	*15%*
Mid-term update	*10%*
Group business plan	*30% (20% write-up; 10% pitch)*

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

LATE SUBMISSIONS ARE NOT ACCEPTED

Individual Idea Assignment

This is an individual assignment, though you may later choose to develop your concept in a business plan as part of the Team Project.

The goal of this assignment is to expose yourself to a wider range of venture ideas, and by extension, expand your network at Penn, and beyond. In a ***two-page paper***, you will outline the basics of a new venture idea. The catch is that it must be an opportunity that you identify from a ***new contact or source***, rather than a prior idea, or one from brainstorming or talking with only Wharton students. Potential sources include (but are not limited to):

1. ***Individuals in academic programs at Penn outside of Wharton***. Consider visiting open houses or seminars at other departments (for example, http://www.grasp.upenn.edu/seminars_events, http://www.lrsm.upenn.edu/)
2. ***A university technology transfer office***. Penn has an extensive site (http://www.ctt.upenn.edu/index.php?category=49) but you can use people from other universities in your selected industry of interest. Consider interviewing a few individuals to find potential problems that might be solvable, or user innovations that might be exploitable.

You need not develop the idea completely, nor do you need to perform any in-depth market or feasibility analysis. Your assignment should include the following:

- An outline of the venture idea
- Why you think the idea is novel and potentially viable (or even exciting) as a business opportunity
- How you discovered the idea
- What your next steps would be to further assess and develop the idea

Submission Guidelines: Through Canvas. ~1000 words (two double-spaced pages).

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.

Team Blogs

Given that the primary aim of the class is to design and develop a plan for a viable business, I will be asking you to blog about your venture throughout the term. The idea is to implement course concepts and log the implications 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.

Group 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.

I will provide updates on which quartile you're currently in for participation upon request and am happy to discuss options for getting your score up.

III. TOPICS OUTLINE AT A GLANCE – MGMT 230 Fall 2015, Prof. Wry

Session		Topic	Assignments and Milestones
Nu.	Date		
1	W. Aug 26	**Course Overview & Opportunity recognition**	
2	M. Aug 31	**Venture teams (lecture), and Individual Idea Pitches (you)**	Individual Idea Assignment due
3	W. Sept 2	**The Business Model**	
	M. Sept 7	**No class – Labor Day**	
4	W. Sept 9	**Disrupt!** Creativity, innovation, and Blockbuster Products	Preliminary Business Model due *(ungraded assignment)*
5	M. Sept 14	**In-class Exercise:** Defending your model exercise/competition	
6	W. Sept 16	**The Lean Startup:** Assumptions, hypotheses, and an iterative approach to venture development	***Blog 1:*** *Your model, options considered, and reactions to the 'defending' exercise*
7	M. Sept 21	**Group Presentations:** Assumptions and hypotheses	
8	W. Sept 23	**In-class Exercise:** Dr. Mean, Dr. Lean	
9	M. Sept 28	**Guest Speaker:** The power of running lean	***Blog 2:*** *Key assumptions, hypotheses, and initial tests*
10	W. Sept 30	**Customer Contact:** Using interviews for customer insight	
11	M. Oct 5	**Designing Effective Surveys**	
12	W. Oct 7	**In-class Exercise:** Qualtrics training	
13	M. Oct 12	**MVP Testing:** Landing pages and other behavioral tests	
14	W. Oct 14	**In-class Exercise:** Building your MVP	***Blog post:*** *Mid-term update*
15	M. Oct 19	**Guest Speaker:** Hypothesis testing – tales from the trenches	
16	W. Oct 21	**Creating Value:** Revenue models and monetization	
17	M. Oct 26	**Group Presentations:** progress and plans	***Blog 3:*** *What we thought, what we did, what we learned.*
18	W. Oct 28	**Resources:** Attracting money, people, and partners	
19	M. Nov 2	**Group Presentations:** progress and plans	***Blog 4:*** *What we thought, what we did, what we learned.*
20	W. Nov 4	**Financing your Venture:** VCs, angels, and crowdfunding	

21	M. Nov 9	**Group Presentations:** progress and plans	***Blog 5:*** *What we thought, what we did, what we learned*
22	W. Nov 11	**The VC pitch:** Strategies, delivery, and deck design	
23	M. Nov 16	**Group Presentations:** progress and plans	***Blog 6:*** *What we thought, what we did, what we learned*
24	W. Nov 18	**Startup Marketing**	
25	M. Nov 23	**Incorporation, and Structuring for Investment**	
26	W. Nov 25	**Guest Speaker:** building post-launch	
27	M. Nov 30	**No Class:** Pitch Preparation Time	
28	W. Dec 2	**Final pitches 1**	
29	M. Dec 7	**Final pitches 2**	***Group Business Plan Due***

IV. READING LIST – MGMT 230 Fall 2015, Prof. Wry

Session 1: Course Overview & Opportunity Recognition

"The Questions Every Entrepreneur Must Answer" by. A. Bhide, *Harvard Business Review*, November-December 1996, pp. 120-130 (reprint 96603).

"Good Ideas and How to Generate Them" from B. Nalebuff and I. Ayres, Why Not? *Harvard Business School Press*, 2003, pp. 13-42.

"Identifying Venture Opportunities" Stanford E-323

Session 2: Venture Teams

"The New Venture Team" by J.A. Timmons, Chapter 8 in New Venture Creation, Irwin McGraw-Hill, 1999, pp. 277-287.

"Zero Deficit Hiring" http://www.inc.com/magazine/19980301/889.html

"Hiring Wharton Engineers" – I'll post it to Canvas

Check out… try not to wince:
Whartonite Seeks Code Monkey http://whartoniteseekscodemonkey.tumblr.com

Session 3: Business Model Development

"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 8: 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: Financing your Venture

"An Entrepreneurs Guide to the Venture Capital Galaxy", by D. DeClerq et al., *Academy of Management Perspectives*, 2006.

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

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

Y-Combinator "Series AA Termsheet" available at: http://ycombinator.com/seriesaa.html

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 24: Generating Buzz and Marketing for Startups

Case Study: Ford Fiesta Movement: Using Social Media and Viral Marketing to Launch Ford's Global Car in the United States, INSEAD case 05/2010-5664.

"Why Startups Need to Blog"
http://www.bothsidesofthetable.com/2011/03/27/why-startups-need-to-blog-and-what-to-talk-about/

Session 25: 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