

The Wharton School
The University of Pennsylvania

Management 806:

FORMATION AND IMPLEMENTATION OF ENTREPRENEURIAL VENTURES

Course Syllabus

Fall 2015

Tyler Wry
Assistant Professor of Management
Steinberg Hall – Dietrich Hall 2031
Office Hours: By Appointment
Tel: (215) 573-3399
Email: twry@wharton.upenn.edu

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 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%
Class participation	25%
Peer evaluation	10%
Group Assignments	65%
Preliminary business model	--
Venture update blogs x 7 (5% each)	35%
Final business plan and pitch	30%
ASSIGNMENTS ARE DUE <u>BEFORE CLASS</u>, OR <u>BEFORE NOON</u>	
IF THE DEADLINE IS NOT ON A DAY WHERE THE CLASS MEETS	
LATE SUBMISSIONS <u>WILL NOT BE ACCEPTED</u>	

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 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.

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. **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.
4. **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. Aug 26	Introduction & Course Overview	
2	M. Aug 31	Venture Pitches	
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 (ungraded assignment)
5	M. Sept 14	In-class Exercise: Defending your model exercise/competition	
6	W. Sept 16	The Lean Startup: Refresher on hypothesis testing	
7	M. Sept 21	Group Presentations: Assumptions and hypotheses	Blog 1
8	W. Sept 23	In-class Exercise: Dr. Mean, Dr. Lean	
9	M. Sept 28	Guest Speaker: The power of running lean	
10	W. Sept 30	Customer Contact: Using interviews for customer insight	
11	M. Oct 5	Designing Effective Surveys	
12	W. Oct 7	Group Presentations: progress and plans	Blog 2
13	M. Oct 12	MVP Design and Implementation	
14	W. Oct 14	Group Presentations: progress and plans	Blog 3
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 4
18	W. Oct 28	Resources: Attracting money, people, and partners	
19	M. Nov 2	Group Presentations: progress and plans	Blog 5
20	W. Nov 4	Funding innovations: Crowdfunding, Kickstarter, and equity	
21	M. Nov 9	Group Presentations: progress and plans	Blog 6

22	W. Nov 11	The VC pitch: Strategies, delivery, and deck design	
23	M. Nov 16	Legal forms, Incorporation, and Structuring for Investment	
24	W. Nov 18	Group Presentations: progress and plans	<i>Blog 7</i>
25	M. Nov 23	No class: Pitch prep time	
26	W. Nov 25	Practice pitches and coaching 1	
27	M. Nov 30	Presentations to VC panel 1	
28	W. Dec 2	Practice pitches and coaching 2	
29	M. Dec 7	Presentations to VC panel 2	<i>Group Business Plan Due</i>

IV. READING LIST – MGMT 806 Fall 2015, 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