

The Wharton School

The University of Pennsylvania

Management 230:

ENTREPRENEURSHIP

Course Syllabus ***Spring 2018***

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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 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. 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

| | |
|--------------------------------------|------------|
| <i>Individual idea assignment</i> | 10% |
| <i>Class participation</i> | 20% |
| <i>Peer evaluation discount rate</i> | |

Group Assignments

| | |
|---------------------------------|--------------------------------------|
| <i>Opportunity analysis</i> | 10% |
| <i>Venture updates (5 x 4%)</i> | 20% |
| <i>Swag Day</i> | 10% |
| <i>Group business plan</i> | 30% (15% write-up; 15% pitch) |

**ASSIGNMENTS MUST BE SUBMITTED BY MIDNIGHT ON THE DUE DATE
LATE SUBMISSIONS ARE NOT ACCEPTED**

Individual Idea Assignment (10%) (2 pages, single spaced text)

Using concepts covered in class, each student will identify and evaluate **three different potential venture ideas**. For each, you will provide an overview of the idea, your evaluation of its potential, and discuss how you discovered the opportunity. Dedicate about half a page of double-spaced text to each idea. After this, provide a brief analysis that discusses which idea you think has the most potential and why.

My evaluation will be based on (1) the quality of each idea, and; (2) the logic behind your analysis of its potential.

Opportunity Analysis Assignment (10%) (5 pages, single spaced text + data appendixes)

While it is true that entrepreneurial success is 90% persistence, execution, and hustle, it is crucial to consider the nature and value of the opportunity that you choose to pursue. To do this, you need to understand the industry that you plan to enter in intimate detail. In short, I want to see that you have a reasonably sophisticated understanding of what you're getting into before we spend a lot of time testing and refining the idea. [Assignment details on Canvas](#).

Venture Update Presentations (pass-fail)

You will be providing regular updates about your venture's progress to me and the rest of the class. There is no set expectation about what to include in each update, but whatever you decide to present, I want to see meaningful progress being made. This is also an opportunity to receive feedback from me and your peers on what you've done, as well as advice for how to tackle any challenges that you're facing. Presentations are graded pass/fail, but I don't have any trouble failing groups for sub-standard work.

Final Business Plan (15%) and Pitch (15%)

[Assignment details on Canvas](#)

Swag Day (10%)

On April 4, every venture team will be responsible for bringing something amazing for the other members of the class to enjoy. This can be just about anything (e.g., free food, a day on a movie set, backstage concert access, lunch with Elon Musk, etc...), but **the more creative and ambitious the better**. The only rule is that you **CANNOT PAY FOR THE ITEM(S)**. Just like in entrepreneurship, you will need to hustle, beg, barter, and borrow to acquire the desired goods. During class, each team will present their item(s), and tell the (hopefully crazy) story behind its acquisition. This is a peer-graded assignment (i.e., you will be judged by the other teams).

Class Participation (20%)

This class works best when everyone is engaged and contributing not just to their own venture, but also to the success of others. As with any other class, I want to see participation in class discussions, and engagement with the guest speakers I'll be bringing in. More importantly, though, you are expected to provide feedback to your peers in the Q&A following each venture update. The class will also be running a Yellowdig message board through Canvas where you can ask for and receive help on issues related to your venture. You will receive participation points for posting both problems and solutions.

Peer-Evaluation Discount Rate

If you are working on your venture as part of a team, you will be graded at the end of the semester (out of 100) by each of your team members. I will use the resulting score as a discount rate to determine your individual grade on group assignments (e.g., if your avg. peer evaluation = 80/100, I will multiple your group assignment grades by 0.80).

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

| Session | | Topic | Deliverables |
|---------|-------------|---|--------------------------------|
| Nu. | Date | | |
| 1 | W. Jan 10 | Introduction & Course Overview | |
| | M. Jan 15 | MLK Day – No Classes | |
| 2 | W. Jan 17 | Venture Ideas and Opportunity Recognition | |
| 3 | M. Jan 22 | Idea Pitches and team formation | Initial Idea Assignment |
| 4 | W. Jan 24 | The Business Model | |
| 5 | M. Jan 29 | Business Model Innovation | |
| 6 | W. Jan 31 | In-class Exercise: Defending your model exercise/competition | |
| 7 | M. Feb 5 | Tales from the trenches: Joey Hundert, Founder and CEO, Sustainitech | |
| 8 | W. Feb 7 | Venture Updates - market and opportunity | Opportunity Analysis |
| 9 | M. Feb 12 | The Lean Startup: Introduction to hypothesis testing | |
| 10 | W. Feb 14 | Customer Contact: Interviews | |
| 11 | M. Feb 19 | Customer Contact: Surveys | |
| 12 | W. Feb 21 | MVPs: Design and Implementation | |
| 13 | M. Feb 26 | Resources: Attracting money, people, and partners | |
| 14 | W. Feb 28 | Venture Updates | |
| | Mar 5 and 7 | Spring Break – No Classes | |
| 15 | M. Mar 12 | Creating Value: Revenue models and monetization | |
| 16 | W. Mar 14 | Startup Marketing | |
| 17 | M. Mar 19 | Venture Updates | |
| 18 | W. Mar 21 | Equity Funding: Venture Capital and Angel Investor Panel | |
| 19 | M. Mar 26 | Venture Updates | |
| 20 | W. Mar 28 | Other Financing Options: Accelerators, Incubators, and crowdfunding | |
| 21 | M. Apr 2 | Venture Updates | |
| 22 | W. Apr 4 | Swag Day | |

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| 23 | M. Apr 9 | Scaling the new Venture | |
| 24 | W. Apr 11 | The VC pitch: Strategies, delivery, and deck design | |
| 25 | M. Apr 16 | No class: Pitch prep time | |
| 26 | W. Apr 18 | Pitch Coaching | |
| 27 | M. Apr 23 | Final Presentations 1 | |
| 28 | W. Apr 25 | Final Presentations 2 | <i>Group Business Plan Due</i> |

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

Session 2: Opportunity Recognition

“The Questions Every Entrepreneur Must Answer” by A. Bhidé, *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 3: 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>

Check out... try not to wince:

Whartonite Seeks Code Monkey <http://whartoniteseekscodemonkey-blog.tumblr.com/>

Session 4: Business Model Development

“Business model generation: a handbook for visionaries, game changers, and challengers.” by A. Osterwalder and Y. Pigneur. John Wiley & Sons, 2010. (pgs. 1-50)

<https://assets.strategyzer.com/assets/resources/business-model-generation-book-preview-2010.pdf>

“Business Model Analysis for the Entrepreneur” HBS note 9-812-096.

Session 5: Business Model Innovation

“Creating Value through Business Model Innovation” by Amit and Zott, *Sloan Management Review*, 2012

“Startups Rarely do Anything Well” <http://venturefizz.com/blog/startups-rarely-do-anything-well>

Session 9: The Lean Startup

“Hypothesis driven entrepreneurship: The lean startup” by T. Eisenmann, E. Ries, S. Dillard, HBS Note 9812-095.

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 12: MVP Testing

“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 13: Resources

“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 15: Revenue Models and Monetization

Case study: "Zipcar: Refining the Business Model" HBS Case 9-803-096.

Session 16: Startup Marketing

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.

Session 18: Equity Funding

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

Session 20: Other Financing Options

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

Session 23: Scaling the new Venture

Session 24: 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.

“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]