

The Wharton School

The University of Pennsylvania

**Management
231/806:**

FORMATION AND IMPLEMENTATION OF ENTREPRENEURIAL VENTURES

Course Syllabus **Spring 2018**

Tyler Wry
Assistant Professor of Management
Steinberg Hall – Dietrich Hall 2211
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 230/801, 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	20%
Class participation	20%
Peer evaluation discount rate (applied to all group-assigned grades)	
Group Assignments	80%
Opportunity analysis	10%
Venture update blogs x 3 (5% each)	15%
Venture update presentations x 3 (5% each)	15%
Swag Day	10%
Final business plan and pitch	30%
ASSIGNMENTS MUST BE SUBMITTED <u>BY MIDNIGHT ON THE DUE DATE</u> LATE SUBMISSIONS <u>WILL NOT BE ACCEPTED</u>	

Opportunity Analysis Assignment (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. This includes (but is not limited to): (1) market and niche size / growth trajectory; (2) competitors, substitutes, and the nature of competition; (3) the opportunity that you're going after and why it hasn't been addressed; (4) the nature and sustainability of your competitive advantage.

You may have worked through some of these details in MGMT 230/801 (and that's fine), but 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.

Venture Update Presentations and Written updates (~500 words) (pass-fail)

You will be providing regular updates about your venture's progress to me and the rest of the class. Each venture team will deliver 3 in-class presentations and 3 written updates. There is no set expectations 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. These are graded pass/fail, but I don't have any trouble failing groups for sub-standard work.

Final Business Plan and Pitch

Detailed assignment instructions posted on Canvas.

Swag Day

In the last session before spring break, every venture team will be responsible for bringing something (hopefully awesome) for the other members of the class to enjoy. This can be just about anything (e.g., free food, massages, 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 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

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 multiply your group assignment grades by 0.80).

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

Session		Topic	Deliverables
Nu.	Date		
1	W. Jan 10	Introduction & Course Overview	
	M. Jan 15	MLK Day – No Classes	
2	W. Jan 17	Insight and Opportunity	
3	M. Jan 22	The Business Model	
4	W. Jan 24	Venture Introductions	Opportunity Analysis
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	The Lean Startup: Refresher on hypothesis testing	
9	M. Feb 12	Venture Updates: Cohort 1	Written update: Cohort 2
10	W. Feb 14	Customer Contact: Interviews and surveys	
11	M. Feb 19	Venture Updates: Cohort 2	Written update: Cohort 1
12	W. Feb 21	MVPs: Design and Implementation	
13	M. Feb 26	Resources: Attracting money, people, and partners	
14	W. Feb 28	Swag Day	
	Mar 5, 7	Spring Break – No Classes	
15	M. Mar 12	Tales from the trenches: Adam Tishman, co-founder and CEO, Helix Sleep	
16	W. Mar 14	Creating Value: Revenue models and monetization	
17	M. Mar 19	Venture Updates: Cohort 1	Written update: Cohort 2
18	W. Mar 21	Innovative Funding Options: Alejandro Cremandes, co-founder and CEO, Onevest; Neil Bansal and Agustina Bellsola co-founders, Apres Ski	
19	M. Mar 26	Venture Updates: Cohort 2	Written update: Cohort 1
20	W. Mar 28	The VC pitch: Strategies, delivery, and deck design	
21	M. Apr 2	Venture Updates: Cohort 1	Written update: Cohort 2

22	W. Apr 4	Legal forms and Structuring for Investment: Rich Cohen, Partner, Duane Morris LLP	
23	M. Apr 9	Venture Updates: Cohort 2	Written update: Cohort 1
24	W. Apr 11	No class: Pitch prep time	
25	M. Apr 16	Practice pitches and coaching 1	
26	W. Apr 18	Presentations to VC panel 1	
27	M. Apr 23	Practice pitches and coaching 2	
28	W. Apr 25	Presentations to VC panel 2	<i>Group Business Plan Due</i>

IV. READING LIST – MGMT 806 Fall 2015, Prof. Wry

Session 3: Business Models

“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 R. Amit and C. Zott, *Sloan Management Review*, 2012

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

Session 8: The Lean Startup

“Hypothesis driven entrepreneurship: The lean startup” by T. Eisenmann, E. Ries, S.Dillard, HBS Note 9-812095.

Session 10: Customer Contact

“Customer discovery and validation for entrepreneurs” by F. Cespedes, T. Eisenmann, S. Blank. HBS note 9812-097

“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 12: 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 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 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: Innovative Funding Options

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

Session 20: 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]

Session 22: 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 9-809110