

The Wharton School

The University of Pennsylvania

Management 230:

ENTREPRENEURSHIP

Course Syllabus ***Spring 2019***

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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	30%
Individual idea assignment	10%
Class participation	20%
Peer evaluation adjustment	
Group Assignments	70%
Opportunity analysis	15%
Swag Day	15%
MVP Plan	5%
MVP Results and Implications	10%
Final Pitch and Plan	25% (15% write-up; 10% 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: (1) an overview of the idea and the need that it addresses; (2) your evaluation of its potential, and; (3) discuss how you discovered the opportunity. Dedicate about half a page of single-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 (15%) (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.

For this assignment, you will need to discuss (at least): (1) the size of your market niche and key trends therein; (2) competitors, substitutes, threat of new entrants, 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.

The best submissions for this assignment will include archival research as well as interviews with industry insiders and potential customers. My evaluation will focus on the quality, not the quantity, of the data you've gathered.

Swag Day (15%, peer -graded)

For this assignment, 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, bitcoin, lunch with Richard Branson, etc...), but the more creative and ambitious the better. The only rule is that you **CANNOT PAY FOR THE ITEM(S)**. As in entrepreneurship, you will need to be resourceful, innovative, and use your powers of persuasion.

During class, each team will present their item and tell the story behind its acquisition. This assignment is peer-graded based on the perceived quality of the swag and the story of its acquisition.

MVP Plan (5%) (~2 pages, single-spaced text)

Each team is required to run one or more MVP tests to gather data on their venture.

In this assignment, you will: (1) identify the assumption you want to address in your test; (2) translate this to a clear, precise, and falsifiable hypothesis; (3) discuss your testing approach and its rationale, and; (3) discuss the audience for your test (i.e., who you are looking for; how many people you need; how you plan to find them).

MVP Results and Model Updates (15%) (~5 pages, single-spaced text)

In this assignment, you will: (1) discuss the implementation of your MVP test, including the tools used for its creation; (2) provide details about respondents (i.e., who, how many, and their relevance to the test); (3) discuss results, and the implications they have for your business model.

The strongest submissions will include **multiple MVP tests**. All submission should include the actual MVP materials (e.g., your landing page, video, etc.)

Final Business Plan (15%) and Pitch (10%)

Assignment details on Canvas

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. The following considerations will be taken into account when calculating your participation grade:

- 1) Attendance and punctuality (*assessed with the app*)
- 2) Engagement in in-class discussions (*I record this after each class*)
- 3) Office hours appointments (*not required, but a way to show you're engaged*)
- 4) Contributions to other groups (*you will have a chance to give feedback after each update presentation*)

You will receive two participation grades: one before Spring Break (10%), and one at the end of the semester(10%)

Peer-Evaluation Adjustment

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 to adjust 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 16	Introduction & Course Overview	
	M. Jan 21	No Class: MLK Day	
2	W. Jan 23	Opportunity Recognition	
3	M. Jan 28	Idea Pitches and team formation	Initial Idea Assignment (10%)
4	W. Jan 30	Initial Vetting: Interviews and Research	
5	M. Feb 4	Unit Economics and Use Cases	
6	W. Feb 6	Update 1: Venture Introductions	
7	M. Feb 11	The Business Model	
8	W. Feb 13	Business Model Innovation	
9	M. Feb 18	Business Model Innovation Challenge	
10	W. Feb 20	Lean Entrepreneurship: Assumptions, Hypotheses, and testing	Opportunity Analysis (15%)
11	M. Feb 25	Lean in Action: Guest Speaker, Joey Hundert , Founder and CEO of Sustainitech (http://sustainitech.com)	
12	W. Feb 27	Update 2: Business Model and key Assumptions	
	Mar 4/6	No Classes: Spring Break	
13	M. Mar 11	MVPs: Design and Implementation	

14	W. Mar 13	No Class: Individual midterm updates (by apt.)	
15	M. Mar 18	Update 3: MVP plan and design	MVP Plan (5%)
16	W. Mar 20	Resources: Attracting money, people, and partners	
17	M. Mar 25	Resources: Accelerators, Incubators, and the Penn ecosystem	
18	W. Mar 27	Raising Money: Guest Speaker, Alejandro Cremandes , Co-Founder of Onevest (https://onevest.com/)	
19	M. Apr 1	Update 4: MVP results and model updates	MVP Results (10%)
20	W. Apr 3	No Class: Swag Day Prep	
21	M. Apr 8	Swag Day	Peer graded (15%)
22	W. Apr 10	The VC pitch: Strategies, delivery, and deck design	
23	M. Apr 15	Entrepreneurship for Good: Social impact and venture success	
24	W. Apr 17	Startup Marketing	
25	M. Apr 22	Pro-pitches: Guest pitches from local startups	
26	W. Apr 24	No Class: Pitch Prep	
27	M. Apr 29	Final Presentations 1	
28	W. May 1	Final Presentations 2	Final pitch (10%) and Write-up (15%)

IV. READING LIST – MGMT 230 Spring 2019, 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: Initial Vetting

“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

Session 5: Unit Economics and Use Cases

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

Session 7: 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>

Session 8: 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 10: Lean Entrepreneurship

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

“The Lean Startup: How Today’s Entrepreneurs use Continuous Innovation to Create Radically Successful Businesses” by Eric Ries (recommended, not required)

Session 16: 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 18: Fundraising

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

“The Art of Startup Fundraising: Pitching Investors, Negotiating the Deal, and Everything Else Entrepreneurs Need to Know” by A. Cremandes (recommended, not required)

Session 22: The VC Pitch

“How to Pitch a Brilliant Idea” by K. Elsbach, *Harvard Business Review*, September 2003, p. 117.

Management 230, Spring 2019

“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 19: Entrepreneurship for Good

“What impact? A framework for measuring the scale and scope of social performance.” By A. Ebrahim and V. Rangan, *California Management Review*, 2014.

“Inside the buy-one give-one model.” By C. Marquis and A. Park, *Stanford Social Innovation Review*, 2014.

Session 24: 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.