

The Wharton School

The University of Pennsylvania

**Management
231/806:**

FORMATION AND IMPLEMENTATION OF ENTREPRENEURIAL VENTURES

Course Syllabus **Spring 2019**

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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

<i>Initial idea and Class Goals (pass/fail)</i>	<i>5%</i>
<i>Opportunity Analysis</i>	<i>15%</i>
<i>Swag Day (peer graded)</i>	<i>15%</i>
<i>MVP Plan</i>	<i>5%</i>
<i>MVP Results</i>	<i>15%</i>
<i>Annotated Pitch Deck</i>	<i>25%</i>
<i>Class Participation</i>	<i>20%</i>

Initial Idea and Class Goals (~2 pages, single-spaced text, graded pass/fail)

The purpose of this assignment is to give me a baseline on where you're at with your venture, and what you hope to accomplish during the semester. Please discuss: (1) your idea; (2) your team (including backgrounds, affiliations, and whether or not they are taking this class); (3) any idea validation and research conducted to date. Also discuss your goals for the semester (as they apply to your venture), and what you hope to accomplish through this class.

Opportunity Analysis (~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

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 (~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 (~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.)

Annotated Pitch Deck

Detailed assignment instructions posted on Canvas.

Class Participation and Attendance Policy

This class works best when everyone is engaged and contributing. I want to see participation in classroom discussions and engagement with the guest speakers. Everyone is also expected to sign-up for two venture update presentations, where you will pitch—and get feedback from—an outside expert evaluator.

Unexcused absences and un-notified lateness will result in significant reductions to your class participation score.

If you no-show a scheduled presentation, your final grade will be docked 10%.

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

Session		Topic	Deliverables
Nu.	Date		
1	W. Jan 16	Introduction & Course Overview	
	M. Jan 21	No Class: MLK Day	
2	W. Jan 23	Venture Introductions	Initial idea and Goals (5%)
3	M. Jan 28	Insight and Opportunity: The “expert” entrepreneur	
4	W. Jan 30	Getting the Idea Right: Guest Speaker, Robert Coneybeer , Managing Director & Co-Founder of Shasta Ventures	
5	M. Feb 4	Idea Vetting and Development: Interviews and research	
6	W. Feb 6	Entrepreneurship for Good: Social impact and venture success	
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	Venture Update Presentations: Live feedback from Joey	
	Mar 4/6	No Classes: Spring Break	
13	M. Mar 11	MVPs: Design and Implementation	
14	W. Mar 13	MVPs for Consumer Products: Guest Speaker, Jay Bhatti , Co-founder, Brand Project (http://www.brandproject.com/)	
15	M. Mar 18	Venture update presentations: Live feedback from Jay	MVP Plan (5%)
16	W. Mar 20	Resources: People, partners, and money	
17	M. Mar 25	Resources: Accelerators, Incubators, and the Penn ecosystem	
18	W. Mar 27	Fundraising: Guest Speaker, Alejandro Cremandes , Co-Founder of Onevest (https://www.onevest.com/)	
19	M. Apr 1	Venture Update Presentations: Live feedback from Alejandro	MVP Results (15%)
20	W. Apr 3	No Class: Swag Day Prep	

21	M. Apr 8	Swag Day	Peer graded (15%)
22	W. Apr 10	Effective pitching: Strategies and delivery	
23	M. Apr 15	Pitching; the Audience Perspective: Guest speaker TBD	
24	W. Apr 17	Venture Update Presentations: Live feedback from TBD	
25	M. Apr 22	Getting Ready for Launch: Guest speaker, <i>Adam Tishman</i> , Co-Founder of Helix Sleep (https://helixsleep.com/)	
26	W. Apr 24	No Class: Pitch Prep	
27	M. Apr 29	Final Pitches, round 1	
28	W. May 1	Final Pitches, round 2	Annotated Slide Deck (25%)

IV. READING LIST – MGMT 806 Spring 2019, Prof. Wry

Session 5: Idea Vetting and Development

“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 6: 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 7: 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 8: 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 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: People, partners, and money

“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: Effective Pitching

“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]