The Wharton School
University of Pennsylvania

MGMT 801: Entrepreneurship (MBA)
Spring (Q4) 2020 [0.5 credit unit]

[<mark>NOTE</mark>: This is a modified version of the course, following the emergency university-wide transition to online curriculum for 2020 Q4]

Professor Daniel Kim	**Spring (Q4) 2020**
Steinberg Hall–Dietrich Hall 2029	**Mondays & Wednesdays**
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Overview and Procedures

You may want to start a new venture upon graduation. Even more likely, you may find yourself launching a new venture as your career develops. You may find yourself working for an entrepreneur, funding entrepreneurs, or having to work with them. Or you may simply want to be more entrepreneurial in your own career. The purpose of Management 801 is to be helpful to you under any of these circumstances with a whirlwind tour of the many dimensions of new venture creation and growth. We will be concerned with issues that relate to conceptualizing, developing and managing successful new ventures.

As the entry level course in Entrepreneurial Management, MGMT 801 also serves a gateway for other courses that will allow you to further pursue your interests in specific entrepreneurship domains (e.g. venture capital investment) through Wharton Entrepreneurship.

The class is highly experiential and hands-on, combining interactive classroom sessions with a startup hackathon designed to familiarize you with the many dimensions of entrepreneurship. Most of the examples we discuss in class will relate to venture formation, but the underlying the interdisciplinary principles – drawn from applied economics and organizational behavior to strategy and finance – will also apply to entrepreneurship in corporate settings and to non-profit entrepreneurship.

Grading

40%   Class Participation
10%   Individual Idea Assignment
50%   Team Hackathon

Class Participation (40%)

You are expected to be present during class and well prepared to discuss the case studies and reading materials. **I am very sympathetic to the fact that the online setting creates challenges for in-class interactions**, so please let me know if you are having any trouble or have suggestions; we'll make this work. To streamline our conversations, I'll try my best to soften the cold-calling to be based on your answers to the daily memos. Class participation contains two components:

1) _Attendance and Participation_ (20%): Especially in an area like entrepreneurship, learning largely occurs through peer interaction, and accordingly, respect for your colleagues' comments will be expected at all times. Everyone is allowed 1 absence; any beyond this will negatively affect your class participation grade.
   a. But of course, given the unusual circumstances, e-mail me if you cannot make a session for any reason beyond your control **(e.g., health or internet bandwidth issues)**; these absences will be excused, no questions asked (honor code, please).
   b. Since the online platform may limit our in-class conversations, there will also be **discussion boards on Canvas** where you can participate (open until 24h after the class session). Feel free to pose your own discussion questions.
2) _Daily Memos_ (20%): Before each discussion-based class (8 total), a short 3-minute question will be posted on Canvas. These open-ended questions are designed to help organize your thinking for the next session's classroom discussion. Responses should indicate and briefly justify your answer choice. Responses will not require anything beyond your normal preparation for class.

Individual Idea Assignment (10%)

Using concepts covered in class, each student will succinctly identify and evaluate two potential venture ideas. For each, you will provide: (1) an overview of the idea and the "pain point" that it addresses and (2) your evaluation of each idea's potential. After this, choose 1 with the greater potential and briefly justify the choice.

Team Hackathon (50%)

For most of the class, you will work in a team (4-7 people) to test and develop a new venture idea. Ultimately, each team will present a final pitch deck that covers all key

aspects of the venture towards the end of this course. This hackathon will contain 4 deliverables throughout the course (listed below):

Team-based Deliverables (must submit directly **via Canvas**):
The Hackathon Guide *on Canvas provides specific instructions for each deliverable.*

1. *Team Registration* (10%): Each team will register by listing its members and also briefly describe the venture such as the problem your team seeks to address.
2. *Customer and Problem Discovery* (20%): This exercise will lead teams to gain first exposure to potential customers and begin hypothesis formation and testing.
3. *Entrepreneurial Strategy* (10%): Each team will examine its unique competitive landscape and choose an entrepreneurial strategy.
4. *Final Pitch Deck* (10%): To conclude the hackathon, each team will submit a final pitch deck – the final file to be used in the actual pitches during the last class. Again, the Hackathon Guide provides specific instructions along with the criteria used to evaluate the quality of the pitches.

Team Formation
In this online version of the course, each person will be randomly assigned to a Hackathon startup team, resulting in roughly ten total teams. In fact, recent research shows that startup teams randomized among strangers outperform those formed among friends (Hasan and Koning, 2019). After, each team will be tasked with forming and agreeing on a startup idea, likely chosen among the combined set of individual ideas. In session 3, each team will briefly introduce its idea to the class in a pitch format. See *"Hackathon Guide: Kickoff"* for tips on what makes for a good, short pitch.

Peer evaluation
The individual grade on the group assignments will be weighted based on peer review. You will be asked to rate the contribution of each member of your team by assigning a percentage score that reflects their effort. Therefore, individual grades are likely to vary within each team.

Course Policy

Academic Honesty
There is a zero tolerance policy for academic dishonesty. Cheating, plagiarism, or turning in another's work as your own will result in a failing grade for the class. When using externally sourced ideas, be sure to properly cite the original work in your writing.

Intellectual Property
The philosophy of the class is that you are far more likely to be helped then hurt by talking about your idea with everyone who will listen. Chris Dixon gives an argument about why

this is so here: http://cdixon.org/2009/08/22/why-you-shouldnt-keep-your-startup-idea-secret/. In any case, you are entirely responsible for protecting your own intellectual property, though intellectual property theft has never been a problem in Management 801. If there is any part of your business idea that you would not like to disclose, then you should simply not disclose it, or select a different business idea. Unfortunately, the instructor cannot sign any non-disclosure agreements related to this course. Some classes may be recorded for students who cannot make it. If you have any questions about this policy, do not hesitate to ask.

Course Outline

All of the required readings and daily memo questions are posted on Canvas. The Hackathon Guide, also posted on Canvas, provides all details regarding each deliverable. Assignments are due 11:59pm the night before class.

Session	Date	Topic	Case study?	Deliverable due	Daily Memo Due?
1	3/23/19	**Introduction & Idea generation**			
2	3/25/19	**Founding Teams: Power and Money**	*Case Study* : Evan Williams	**Individual idea assignment**	YES
3	3/30/19	**Choosing Your Customer**		**Hackathon deliverable**: Team registration	YES
4	4/1/19	**Hypothesis Testing**	*Case Study* : Rent the Runway		YES
5	4/6/19	**Group Work Session / Live Office Hours**			
6	4/8/19	**Group Work Session / Live Office Hours**			
7	4/13/19	**Choosing Your Strategy**	*Case Study* : Ministry of Supply	**Hackathon deliverable**: Customer Discovery	YES
8	4/15/19	**Financing & Hiring**			YES
9	4/20/19	**Scaling and Managing Growth**	*Case Study* : Beepi	**Hackathon deliverable**: Entrepreneurial Strategy	YES
10	4/22/19	**Exits - IPOs and Acquisitions**			YES
11	4/27/19	**Hackathon: Team Presentations**			
12	4/29/19	**Summary & Wrap-up**		**Hackathon deliverable**: Final Pitch	YES

Readings

Session 2: Founding Teams – Power & Money
- *Case study*: Evan Williams, HBS case 9-809-088
- (<u>OPTIONAL</u>) "A Note on the Legal and Tax Implications of Founders' Equity Splits" by Noam Wasserman and Lauren Barley, HBS Note 809110

Session 4: Hypothesis Testing
- *Case study*: Rent the Runway, HBS Case 9-812-077

Session 7: Choosing Your Strategy
- *Case study*: Ministry of Supply, MIT Case

Session 8: Financing and Hiring
- *Book chapter*: "How to Raise Money" in Venture Deals by Brad Feld and Jason Mendelson
- "Organizational Blueprints for Success in High-Tech Start-Ups: Lessons from the Stanford Project on Emerging Companies" (**only pages 8-15**), James N. Baron and Michael T. Hannan, California Management Review 44(3), 2002

Session 9: Scaling and Managing Growth
- *Case study*: Beepi, MIT Case

Session 10: Exits – IPOs and Acquisitions
- *Book chapter*: "Harvest Time: Reaping What You've Sown" (**only pages 1-13**) in Entrepreneur's Toolkit