MGMT 2300:
Entrepreneurship

Fall 2023 / Quarter 2 (0.5 cu)
October 23rd – December 6th, 2023

Prof. Assenova
The Wharton School
University of Pennsylvania

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Course Overview

How do you take a good idea and turn it into a successful venture? Whether you plan to become a founder, investor, mentor, partner, or early employee of a startup company, this course will take you through the entire journey of new venture creation and development. MGMT 2300 is a project-based survey course designed to provide an overview of the entrepreneurial process and give you practical hands-on experience with new venture development. You and a team will have the chance to ideate, test, and develop a pitch for an early-stage startup by incorporating material from class lectures, simulations, labs, and class discussions. By the end of the course, you will have a better understanding of what it takes to create a successful startup, as well as proven techniques for identifying and testing new market opportunities, acquiring resources, bringing new products and services to market, scaling, and exiting new ventures.

Course Objectives

By the end of the course, you will know how to generate and test new venture ideas, validate your assumptions, and prototype the product/offering. You will also have developed a pitch deck for your startup, which you can use to apply for Penn's Y-Prize

Competition, Venture Initiation Program (VIP), and Startup Challenge, among other business plan competitions, and develop further into an early-stage company.

Grading

- 10% Attendance and Participation (Individual)
- 20% Weekly Discussion Posts (Individual)
- 30% Quizzes (Individual, open book, open notes, Canvas)
- 40% Venture Initiation Plan ("VIP") (Team capstone project)

Each of the grading components will be z-scored to adjust for your performance relative to other sections of this class and will be weighted by the percentages above to determine your final letter grade.

We will use the following scale in determining the final letter grades:

Letter Grade	Percent Grade	4.0 Scale
A+	97-100	4
A	93-96	4
A-	90-92	3.7
B+	87-89	3.3
B	83-86	3
B-	80-82	2.7
C+	77-79	2.3
C	73-76	2
C-	70-72	1.7
D+	67-69	1.3
D	65-66	1
E/F	Below 65	0

Required Readings

Most of the required readings for this course are available for purchase through the **Study.Net Materials** link on Canvas. You should receive an email with login information from Study.net at the beginning of the term. Please contact customerservice@study.net with any login issues.

In addition, we will use the following book for required readings in this course:

Wasserman, Noam (2012). *The Founder's Dilemmas: Anticipating and Avoiding the Pitfalls That Can Sink a Startup.* **Princeton University Press.**

This book is a thorough guide to the pitfalls that can sink startups by Wharton alumnus Noam Wasserman (W'92, SEAS'92), based on his decade-long research of startups. The book is on reserve at **Lippincott Library (available free-of-charge electronically at Course Materials@ Penn Libraries)** and available for purchase at the **Penn bookstore**.

All other required readings are available free-of-charge through our **Course Materials @ Penn Libraries** link on Canvas.

Recommended Readings

If you're interested in pursuing entrepreneurship and early-stage startup investing beyond this course, I highly recommended the following (excellent, but not required) readings:

- Mollick, Ethan (2020). *The Unicorn's Shadow: Combating the Dangerous Myths that Hold Back Startups, Founders, and Investors.* Wharton School Press.
- Kawasaki, Guy (2015). *The Art of the Start 2.0 The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything.* Portfolio Press, Revised Edition.
- Feld, Brad and Jason Mendelson (2012). *Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist.*
- Ries, Eric (2011). *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses.* Crown Publishing Group.

Classroom Expectations

Electronics: In class, the use of laptops, tablets, and other electronic devices is generally prohibited. Exceptions are the use of mobile phones for checking in at the start of class and during specific in-class activities, such as polls, role-plays, or simulations as permitted by the instructor to aid learning.

Code of Academic Integrity: Upholding academic integrity is a foundational principle of the University. We ask all students to acquaint themselves with Penn's Code of Academic Integrity and Plagiarism Policy. Breaches of these policies will not only affect your grade for a particular assignment but could also result in broader disciplinary measures.

Moderate use of Generative AI permitted: You're permitted to employ generative AI tools, such as ChatGPT, for idea generation and brainstorming sessions. However, it's crucial to recognize that content produced by these tools might be imprecise, incomplete, or pose other issues. Relying heavily on these tools might also hinder your personal creativity and independent thought process. Under no circumstances should you present work directly produced by an AI tool as your own. If you incorporate content created by an AI, ensure it's appropriately cited, just as you would with other sources—though bear in

mind the potential variability in the quality of such sources. Violations like plagiarism or other forms of dishonesty will be strictly addressed in accordance with Penn's established policies.

NDAs: Our University thrives on the free and open exchange of ideas and knowledge. As such, we generally discourage the use of confidentiality agreements and non-disclosure agreements (NDAs). While engaging in class discussions, we ask that you treat others with kindness, empathy, and respect, and treat each other's ideas in the same way. Kindly refrain from disseminating ideas about ventures discussed in class externally without explicit permission.

Attendance and Participation (A&P)

Attendance and active participation are integral to success in this course. Together, attendance and participation account for a significant portion of the grade, with each constituting 50% of the A&P grade.

Attendance: We'll be using the aPlus+ attendance app to record and monitor attendance. The QR code for checking in will be accessible from the start and up to 10 minutes after the start of each class session. Please note that only those who check in within the first 10 minutes will be marked as present; any delay beyond this will register you as absent. Hence, it's essential to ensure timely arrival and check-ins to secure your attendance points. Ensure you're equipped with your phone for the QR code check-ins, and please remember that laptops and tablets are not allowed. Your commitment to punctuality and meaningful participation is highly appreciated and will reflect in your overall grade. Please note that your attendance is ultimately your own responsibility.

Participation: Additionally, your contribution during class discussions and activities will be evaluated. Participation will be graded on a scale of 1 to 3, based on the depth of involvement and the quality of comments shared. Your participation is necessary for everyone's learning and success in this course. Participation means actively listening, building on other's comments, contributing to the class discussion, participating in class activities, and being engaged in class. Participation will be evaluated holistically based on both quality and frequency as a check (2), check plus (3), or check minus (1). We will make every effort to encourage and enable your participation. Please note that your participation is ultimately your own responsibility.

First-Day Policy: We have a waiting list for this course. Please note that if you are enrolled in the course but do not show up on the first day of class, you will be dropped from the course.

Excused Absence Requests: To request an excused absence, you can either:

1. Fill out and submit an absence request form located under the 'Attendance & Video Requests' tab on Canvas.
2. Forward a Course Absence Notice (CAN) request via your advisor's office.

For medical or family-related absences, for privacy and confidentiality reasons, it's imperative to channel your request through your advisor's office or the student support office staff, who will then notify the teaching team. We cannot accept doctor's notes directly. We can grant up to two (2) excused absences. Any subsequent absence will lead to a reduction in your attendance and participation points. Since this could also affect your interaction with the class's content and discussions, we advise you to remain aware of this policy.

Video Recordings: We will use video recordings to track attendance. Please note that these recordings are exclusively for the purpose of attendance verification.

Lecture Notes: You are welcome to take notes during class. Please note that the lecture slides will be posted on Canvas at 5:00 p.m. on the day of the lecture.

Team Formation

This course requires a significant amount of teamwork outside of class. Please note that you will need to form teams of 3-5 people for your capstone project. To get credit for this project and all related team assignments, you and every other member of your team will need to be added to a "VIP team" (you can drag and drop your and your team members' names to a team under the People tab on Canvas). Please be sure that you are in a team to get credit for this assignment. Additionally, at the end of the semester, you will have the chance to provide private, confidential feedback about each member of your team. We will read these evaluations. In rare cases, where we discover that a person did not contribute to the team's effort, we will adjust the capstone grades to reflect contributions.

Discussion Posts

Your understanding of the course readings will be assessed through two weekly individual discussion posts. These posts, which prompt you to reflect on 1-2 questions derived from the session's readings, must be submitted before class starts. Over the course, there will be 10 discussion posts uploaded to Canvas. Each post submitted by 1:45 p.m. ET, which is the beginning of the relevant session, will earn 1 point. Submissions made after this time will incur a deduction of half-a-point for each subsequent day they're late. It's important to highlight that if you either fail to submit or submit a post more than two days after the deadline, no points will be awarded.

Quizzes

Your grasp of the course concepts will be assessed through four individual quizzes, one for each module. These quizzes will encompass key content from lectures, readings, and class discussions. While they are open book and open notes without any time restrictions, it's crucial to remember that you'll only have a single attempt for each quiz. All quizzes close at 11:59 p.m. ET on their respective due dates. Each quiz consists of 5 questions, with each question valued at 1 point, totaling 5 points per quiz. You can take these quizzes anytime before their deadline, and Canvas will grade them instantly. Solutions to the quizzes will be available two days past their respective deadlines. If quizzes are submitted late, there will be a penalty of 50% points deduction for each overdue day. After the answers have been disclosed, no partial credit will be given for any quiz attempts.

Venture Initiation Plan (VIP)

The final deliverable for this course is a team capstone project called the VIP. You and your team will work together throughout the class to select and develop a venture idea into your capstone project. The final deliverable for the course is a **10-slide Power-point deck** worth a total of **100 points** consisting of the following slides (in this order):

1. **Title** [5pt] – Provide company name, your names, and roles, and contact information.
2. **Opportunity** [15pt] – Clearly identify the opportunity – explain the *need* you have identified and describe your proposed *solution* (product or service) that satisfies this need. Identify and size a readily addressable market. Demonstrate support for the uniqueness of your solution in addressing the identified need through the product or service you provide.
3. **Value Proposition** [15pt] – Explain the *value* of the solution (product or service) you provide. Provide evidence that it is compelling. Identify the key benefits sought by customers and/or partners and explain the advantages of your solution over alternative solutions.
4. **Prototype** [10pt] – Create a visual prototype (e.g., video, demo, mockup, wireframe, diagram) that describes the key features that make your offering special, unique, and difficult to imitate. This slide should elicit a "wow" reaction that makes it clear your solution is truly special and addresses the problem or opportunity you have identified.
5. **Business Model** [10pt] – Explain how you will generate revenue from this solution: who pays you, what are your channels of distribution, what is your gross margins, etc. If applicable, drop the names of customers or organizations that are already using your product. Explain what makes your business model viable.
6. **Go-to-Market Plan** [10pt] – Explain how you are going to reach your beachhead customers and launch. Who will be your first customers? How will you transition to attract mainstream customers? What promotions will you offer? What marketing campaigns will you launch?
7. **Competitive Analysis** [10pt] – Provide a complete view of the competitive landscape and the current and foreseen alternatives available to your target

customers. Explain the sources of your competitive advantages relative to the most competitive alternatives available to your customers.

8. **Management Team** [5pt] – List your roles, backgrounds, and expertise that you bring to your team to make your venture a success. Describe the key players of your management team and identify potential members for your board of advisors that will bring additional expertise to your venture.

9. **Key Metrics** [10pt] – What are your key performance metrics and how will you deliver on these goals? Explain your desired performance outcomes and provide a high-level overview for how you plan to achieve these (e.g., using an operating income statement). Explain what assumptions underlie your ability to deliver the desired outcomes.

10. **Timeline** [10pt] – Explain the progress you and your team have made to date along key checkpoints and the timeline for further development. Provide a brief overview of the capital you'll need at each checkpoint and how you plan to use the funds (e.g., $100K to hire a full-time software engineer).

Please be sure that your slides follow the format outlined above and contain all the required information. Please see the assignment details in Canvas for more information.

Tips: Each year, Penn hosts the Y-Prize Competition. It is a fantastic opportunity to develop a business plan for the commercialization of a Penn-licensed technology through a startup. As a bonus, you can also get course credit to develop this plan as your capstone. If you choose this option, you can enter your final pitch deck in the Y-Prize competition for a chance to win $10,000.

There is another clever "hack" for developing a startup. You and your team can develop a capstone around a technology available for licensing through Penn or other university-based technology transfer centers (e.g., at Stanford, MIT). Check out these technologies on sites such as the Penn Center for Innovation.

MGMT 2300: Course Outline – Quarter 2 Schedule
Schedule and dates may change. The most up-to-date schedule is on Canvas.

Session	Day	Date	Lecture Topic	Readings	Assignments
1	M	Oct 23	Introduction to Entrepreneurship	Read Chapter 1 "Introduction" of *The Founder's Dilemmas, Course Materials @ Penn Libraries.*	**Discussion 1 (due 1:45pm on Canvas):** "Introduction to Entrepreneurship" Reflect and post on the discussion board: (1) What are some common mistakes that many founders make? Why? (2) How can founders avoid making these mistakes?
2	W	Oct 25	The Startup Game	Read simulation instructions from the Wharton Learning Lab.	**Discussion 2 (Part 1- post 3 ideas by 11:59 pm Oct 25; Part 2 - comment on 3 ideas by 11:59 pm Oct 27):** "Startup Ideas" Think about 3 potential startup ideas that you're interested in. Post a short description of the idea and a visual (picture, video, diagram) that represents the idea on Canvas.
3	M	Oct 30	Team Day (no lecture)		**Team Day Activity:** Meet with your team and workshop some of the ideas you submitted using the instructions provided in the slides. **VIP Team Formation (due 11:59 pm on Canvas):** under the People tab, add your name to the team that you would like to work with on your VIP capstone project.
4	W	Nov 1	Hypothesis-Driven Entrepreneurship	Read the article "Hypothesis-Driven Entrepreneurship" from the *Study.net Materials.*	**Discussion 3 (due 1:45pm on Canvas):** "Hypothesis-Driven Entrepreneurship" Reflect and post on the discussion board: (1) What makes a "good"

| | | | | | hypothesis? Why do entrepreneurs need to form and test hypotheses? (2) When is the "lean startup" method appropriate? When is it not appropriate?

VIP Homework: In teams, make an initial (paper) prototype of your product or service. If you're feeling adventurous, head over to Tangen Hall's maker space. |
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| 5 | M | Nov 6 | Testing Hypotheses through Minimum Viable Products | Read Chapter 6 "Test" of *The Lean Startup, Course Materials @ Penn Libraries.* | **Quiz 1 (due 11:59pm on Canvas):** "Experimenting in the Entrepreneurial Venture"

VIP Homework: In teams, conduct 3-4 customer development interviews. |
| 6 | W | Nov 8 | Founding Team
Case: Apple's Core | Read Chapter 5 "Role Dilemmas" from *The Founder's Dilemmas, Course Materials @ Penn Libraries.*
Read the case "Apple's Core" from the *Study.net Materials.* | **Discussion 4 (due 1:45pm on Canvas):** "Founding Team" - Reflect and post your thoughts on the following questions: (1) Does Apple Computer (at the time of the case) have a good founding team? Why or why not? (2) What makes a person a true "founder"?

VIP Homework: In teams, design and implement MVP tests of your product or service.

MVP Tests (due 11:59pm on Canvas): post a 1-page plan listing one hypothesis that you plan to test and 3 proposed MVP tests. |
| 7 | M | Nov 13 | Building Your Company and Hiring the Right People | Read Chapter 8 "Hiring Dilemmas" from *The Founder's Dilemmas, Course* | **Discussion 5 (due 1:45pm on Canvas):** "Building Your Company"

Reflect and post your thoughts on the following questions: (1) How can entrepreneurs avoid hiring the |

				Materials @ Penn Libraries. Read the article "Organizational Blueprints for Success," *Course Materials @ Penn Libraries.*	wrong people, at the wrong time (2) What is the role of the founder in establishing organizational blueprints? **VIP Homework:** In teams, work on your Management Team and Advisory Board slide. What skills will your venture require? Who do you need to hire or bring on as an advisor? **Quiz 2 (due 11:59pm on Canvas):** "Customer Insights"
8	W	Nov 15	Startup Operations and Discovery-Driven Planning	Read the article "Discovery-Driven Planning" from the *Study.net Materials.*	**Discussion 6 (due at 1:45pm on Canvas):** "Startup Operations" Reflect and post your thoughts on the following questions: (1) What is the goal of entrepreneurial planning? (2) Why should founders prepare "reverse" income statements? **VIP Homework:** In teams, work on your business model/operations slide. How will you make money and meet your financial goals? What are your channels of distribution? Pricing? Costs of key inputs?
9	M	Nov 20	Startup Financing: Family, Friends, Angels, VCs, and the Crowd **(pre-recorded session– enjoy Thanksgiving break!)** **Note: No Class on Wednesday Nov 22nd due to**	Read Chapter 9 "Investor Dilemmas" from *The Founder's Dilemmas, Course Materials @ Penn Libraries.* Read Chapter 2 "How to Raise Money" from *Venture Deals, Course*	**Discussion 7 (due at 1:45pm on Canvas):** "Startup Financing" Reflect and post your thoughts on the following questions: (1) When is it a good idea to self-fund versus take money from outside investors? (2) When is it better to take money from the crowd than from venture capitalists? **VIP Homework:** In teams, work on your financial projections and key metrics. How much capital will you need to get your idea off the

			Thanksgiving Break	*Materials @ Penn Libraries.*	ground? Who will provide this capital? What's the timeline for generating a return? How will you use the funds they provide?
10	M	Nov 27	Power and Money *Case: Evan Williams*	Read Chapter 6, "Reward Dilemmas" from *The Founder's Dilemmas, Course Materials @ Penn Libraries.* Read the case *"Evan Williams" from the Study.net Materials.*	**Discussion 8 (due 1:45pm on Canvas):** "Power and Money" Reflect and post your thoughts on the following questions: (1) When are equity splits a bad idea? (2) What criteria should co-founders use when negotiating equity splits? **VIP Homework:** In teams, discuss the tradeoffs between power and money for you personally, and for the team. What incentives or agreements do you need to put in place to align your objectives?
11	W	Nov 29	Business Models *Case: Zipcar*	Read the case *"Zipcar: Refining the Business Model" from the Study.net Materials.*	**Discussion 9 (due 1:45pm on Canvas):** "Business Models" Reflect and post your thoughts on the following questions: (1) What is Zipcar's business model? (2) Is this a "good" business model? Why or why not? **Quiz 3 (due 11:59pm on Canvas):** "Recognizing and Shaping Opportunities" **VIP Homework:** In teams, work on your business model slide.
12	M	Dec 4	Managing Growth *Case: Crunch*	Read the article "Scaling a Startup: People and Organizational Issues" *from the Study.net Materials.* Read the case *"Crunch" from*	**Discussion 10 (due 1:45pm on Canvas):** "Managing Growth" Reflect and post your thoughts on the following questions: (1) When is it appropriate to focus on growth versus profits? (2) What are the organizational challenges with scaling a startup?

				the Study.net Materials.	VIP Homework: In teams, work on your VIP deck.
13	W	Dec 6	Exit and Harvest *Case: Nantucket Nectars*	Read the article "Harvest Time" *from the Study.net Materials.* Read the case *"Nantucket Nectars*: *The Exit" from the Study.net Materials.*	Quiz 4 (due 11:59pm on Canvas): "Financing Entrepreneurial Ventures" VIP Homework: In teams, work on your VIP deck.
14	M	Dec 11	Optional instructor meetings and OH		Submit your VIP pitch deck and team feedback (due 11:59 pm on Canvas)