

The Wharton School

The University of Pennsylvania

**Management
231/806:**

FORMATION AND IMPLEMENTATION OF ENTREPRENEURIAL VENTURES

Course Syllabus **Fall 2019**

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I. OVERVIEW

“You miss 100% of the shots you never take” (Wayne Gretzky)

“look before you leap” (common sense)

This class is designed to accelerate your progress on an existing venture idea, and increase your odds of successfully going to market. To do this, class sessions will leverage the latest entrepreneurial research to arm you with actionable, evidence-based strategies designed to help you develop your venture. You will be expected to put these strategies to work and show evidence that you are pushing your venture forward—the class has a heavy bias toward action.

The class is also designed to maximize points of feedback on your venture. There will be multiple opportunities to pitch and receive feedback from your professor and fellow students, as well as from successful entrepreneurs and investors. The class will end with a multi-round pitch competition judged by a panel of active venture capital investors. Expect to leave the class with a significantly expanded entrepreneurial network.

Throughout, you will be expected to apply skills learned in Management 230/801, as well as strategy, marketing, accounting, finance, and other Wharton classes. All readings can be found in the Course Pack on Study.Net. Many additional resources are available on the course Canvas site.

II. ASSIGNMENTS AND GRADING

<i>Opportunity Analysis</i>	<i>15%</i>
<i>Swag Day (peer graded)</i>	<i>15%</i>
<i>Monthly Venture Updates</i>	<i>10% (x3)</i>
<i>Annotated Pitch Deck</i>	<i>20%</i>
<i>Class Participation</i>	<i>20%</i>

Opportunity Analysis (~5 pages, single spaced text + data appendixes)

In this assignment, you will introduce your venture and provide an initial analysis of its viability. The assignment comprises three parts:

Problem validation. Define the nature of the problem that your venture will address, and for whom. As a part of this, precisely define your lead adopter segment (i.e., who is likely to adopt your product/service first, and why), as well as any additional customer segments that you might expand to serve over time.

Talk about how your target customers are currently addressing the problem you want to solve, and why existing solutions are unsatisfactory. If you have a personal connection to the problem, discuss this!

The best submissions will take steps to validate the nature and acuteness of the problem by interviewing potential lead adopters (include an appendix with details about each interviewee, and key learnings from each interview).

Competitive analysis. Map the competitive landscape for your venture. Consider direct competitors, as well as substitutes, and potential entrants. Discuss the nature and sustainability of your competitive advantage (i.e., what’s your unique value proposition? Who will you take business away from? What economic moats will protect your position?). Clearly answer “if this is such a great idea, why hasn’t anyone done it yet?”

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The best submissions will validate their analysis of the competitive landscape by interviewing industry insiders (include an appendix with details about each interviewee, and key learnings from each).

Market sizing and Provisional Unit Economics. Size the market for your idea. Your analysis should include figures from industry reports and other secondary-sources, as well as a bottom-up analysis that builds on data about the size of your lead adopter segment and your venture's preliminary unit economics (i.e., how many customers can you realistically address multiplied by the value of each customer). Discuss key market trends, as relevant.

Include a preliminary calculation of your venture's unit economics. Show that you understand key revenue and cost drivers. Assumptions are fine at this point, as long as they're not wild guesses. Don't worry about whether or not your figures are air-tight, just make sure that they make sense.

Monthly Venture Update Reports (~3 pages, single spaced text + data appendixes)

While you are in the best position to determine the most appropriate steps for pushing your idea forward, each venture team needs to report on their progress each month. Each report should include: (1) a brief description of your venture; (2) what aspects of the venture you chose to work on, and why; (3) the specific types of work done (e.g., customer interviews, hypothesis tests, archival research); (4) the results of this work and its implications for the venture going forward.

Swag Day

For this assignment, each 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.

Annotated Pitch Deck

Detailed assignment instructions posted on Canvas.

Class Participation and Attendance

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 at least two venture update presentations, where you will pitch an outside expert evaluator, and get their feedback on your venture idea.

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		
28-Aug	Wed.	Intro & Foundational considerations	
2-Sep	Mon	<i>No Class - Labor Day</i>	
4-Sep	Wed.	Venture Introductions	
9-Sep	Mon.	An evidence-based approach 1: Opportunity analysis	
11-Sep	Wed.	An evidence-based approach 2: Interviews and research	
16-Sep	Mon.	Knowledge, expertise, and venture success: Fireside chat with Joey Hundert, founder, Sustainitech	Opportunity Analysis Assignment
18-Sep	Wed.	Update pitches: Live feedback from Joey	
22-Sep	Mon.	Social Entrepreneurship: Social impact and venture success	
25-Sep	Wed.	Social Entrepreneurship 2: Guest Speaker (TBD)	
30-Sep	Mon.	Update Pitches: Live feedback (TBD)	Venture update report #1
2-Oct	Wed.	Resources: People, partners, and money	
7-Oct	Mon.	Getting the idea right + update pitches: Guest speaker, Apu Gupta , co-founder, Curalate	
9-Oct	Wed.	Concept validation + update pitches: Guest speaker, Ted lobst , founder, Colugo	
14-Oct	Mon.	<i>No class- Swag Day prep</i>	
16-Oct	Wed.	Swag Day	
21-Oct	Mon.	The Business Model	
23-Oct	Wed.	Business Model Innovation	
28-Oct	Mon.	Business Model Innovation Challenge	
30-Oct	Wed.	Lean Entrepreneurship: Assumptions, Hypotheses, and testing	Venture update report #2
4-Nov	Mon.	Lean Entrepreneurship 2: MVP tests	
6-Nov	Wed.	Lean Entrepreneurship 3: Fireside chat with Bart Houlahan, co-founder of And1; co-founder of B Lab	

11-Nov	Mon.	Update pitches: Live feedback from Bart	
13-Nov	Wed.	No class – Individual team meetings	
18-Nov	Mon.	Effective pitching: Strategies and delivery	
20-Nov	Wed.	Effective pitching 2: Fireside chat with Alejandro Cremandes , co-founder of Onevest; CEO of Panthera Ventures	
25-Nov	Mon.	Update pitches: Live feedback from Alejandro	Venture update report #3
27-Nov	Wed.	No class- Thanksgiving Break	
2-Dec	Mon.	No class - Pitch prep	
4-Dec	Wed.	Pitch competition, round 1	
9-Dec	Mon.	Pitch competition, round 2	Annotated Slide Deck + progress summary (20%)

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

Session 4: An evidence-based approach 2, Interviews and research

“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 7: Social Entrepreneurship

“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 14: 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 15: 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 16: 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)

“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 20: 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]