

Venture Acceleration Lab

MGMT 8880x/3880x, 1cu
Prof. David Hsu
2022-23 Academic Year (Spring Semester)

Background

This Lab emphasizes experiential learning in evaluating and contributing to “live” startup ventures. The goal of the Lab is to accelerate the development of ventures by providing a structured curricular setting in which mentors with industry expertise as operators and investors provide guidance to full-time venture founders. Undergraduate and MBA students learn through witnessing these interactions and through helping ventures structure their value creation and capture strategies. The latter is facilitated via instructor-led classes on focused venture development concepts. This unique Lab therefore brings together communities which rarely mix: startup founders, enrolled students as potential venture “joiners” and consultants, venture mentors, and technical/academic specialists.

We will recruit early stage entrepreneurs and ventures (preference given to Penn/Wharton affiliates) to participate as “live” cases. The class will convene on two types of occasions: (1) regular class format sessions which cover topical areas applicable to their project work (listed below), and (2) “super” sessions in which students, founders, mentors, and specialists come together (twice in the semester, once midway through, and again at the end of the term). The instructor will serve as moderator in these sessions. The goal of these super sessions is for ventures to update their current stage of development, and to receive feedback from mentors. Critically, an outcome of the first super session will be a set of priorities for the ventures to accomplish ahead of the closing super session. NOTE: these two sessions will take place from 9am-3pm on two Fridays in the term.

Each part of this entrepreneurial “ecosystem” brings distinctive value to the Lab, and in turn will benefit:

- **Students (you!):** This class will provide a structured and unique experiential learning opportunity for undergraduate and MBA Wharton students to engage in the venture ecosystem. Given the structure of the Lab, enrollment will be run via a course permitting system, with details announced and advertised well before the enrollment period. Early in the course, the teaching team (instructor and teaching assistant) will assign individuals to project teams; teams will in turn be matched with startup ventures. This matchmaking process aims to take student preferences into consideration. However, ultimate matches will be made by the teaching team. ***Attendance in all sessions of the course throughout the semester is required*** (and only excused absences per University policy will be considered. So please, double check your calendar for availability before requesting a permit to enroll in this course, ***especially the day/time of the two extended Friday super sessions.***)
- **Founders.** We will recruit full time founders of high-potential, emerging companies, with preference given to Penn/Wharton affiliates. In addition to high growth potential, we are interested in engaging entities which could benefit and be of interest to the other stakeholders in the Lab.
- **Mentors:** These are industry experts (operators and venture investors) with current, applied knowledge. They have committed to come to campus for the two super-sessions and the majority

have a pre-existing affiliation with the Wharton School/Penn. Their main motivation for participating is to help shape the next generation of ventures and to learn from each other.

- **Technology and Business Specialists:** faculty and others who are domain specialists, such as in specific realms of business or technology will also be invited to participate in the super sessions. Depending on the composition of the ventures accepted, the instructor will recruit from the Wharton and Penn community to involve technology specialists.

Course Administration

Communication: we will develop an online community for the Venture Acceleration Lab. This will be useful for multiparty communication, and will be a ready way for students and the Lab ecosystem to interact inside and outside of class.

Prerequisites: for undergraduates, MGMT 230 “Entrepreneurship” is required background (with permission of the instructor, MGMT 267, “Entrepreneurship & Technology Innovation” can be substituted). At the MBA level, MGMT 801 “Entrepreneurship” is required background. NOTE: this course has the upper enrollment capacity of 60. This course is a jointly listed as an MBA – undergraduate course.

Deliverables: there will be individual and team submissions in this course according to the below grading and deadline schedule.

Grading:

- Team presentation on entrepreneurial entry strategy and finance: 20%
- Team presentation on action plan following super session #1: 20%
- Team presentation on value creation and capture: 20%
- Individual reflection statement (2 pages): 15%
- Attendance and active course participation (including online discussions): 25%

TENTATIVE SCHEDULE

Session	Date/Time	Topic
1	W, 1/18/2023, 3:30-6:30pm	Introduction; matching to ventures; course administration; entry strategy
2	W, 1/25/2023, 3:30-6:30pm	Human capital and ecosystem resources
3	W, 2/1/2023, 3:30-6:30pm	Entrepreneurial strategy and finance
4	W, 2/8/2023, 3:30-6:30pm	Team entrepreneurial strategy and finance presentations and feedback
5	F 2/17/2023, 9am-3pm	Super session #1. Morning team 1:1 meetings with mentors; keynote at lunch (provided). Afternoon team feedback session.
6	W, 2/22/ 2023, 3:30-6:30pm	Team presentations reflecting on action items from super session #1 and feedback
7	W, 3/15/2023, 3:30-6:30pm	Entrepreneurial scaling and growth
8	W, 3/22/2023, 3:30-6:30pm	Team entrepreneurial value creation and capture presentations and feedback
9	W, 3/29/2023, 3:30-6:30pm	No general class meeting. Teams meet 1:1 with teaching staff (instructor and TA) to discuss progress & preparation for super session #2.
10	F, 4/14/2023, 9am-3pm	Super session #2. Morning team 1:1 meetings with mentors; keynote at lunch (provided). Afternoon team feedback session.

Note: a typical 1cu class contains a total of 36 hours of classroom contact hours. While the Lab deviates from the typical 90 minute class sessions, the total contact hours is 36 hours.

Session 1: Introduction and entry strategy

Description: We will start by laying out class policies, procedures, and expectations (including assigning you to a team). We will then engage in a series of activities to get familiar both with each other as well as with the ventures undergoing the acceleration process through this course.

Preparation prior to class:

- Watch short videos introducing the ~12 ventures
- [Optional/skim]: “Experimenting in the Entrepreneurial Venture” Harvard Business School note (HBS product number 8077-HTM-ENG).

Session 2: Human capital and ecosystem resources

Description: In the first part of class, we will discuss human capital and talent over the lifecycle of venture development, and especially applied to the focal ventures. In the second half of class, we will consider broader entrepreneurial ecosystem resources and how they may shape venture development.

Preparation prior to class:

- DH. Hsu “Note on human capital in the emerging venture”
- ME. Porter “Clusters and the New Economics of Competition,” *Harvard Business Review*, 1998.
- [Skim]: WR. Kerr & F. Robert-Nicoud (2020). “Tech Clusters,” *Journal of Economic Perspectives*, 34(3): 50-76.
- [Optional/skim]: J. Baron & M. Hannan (2002). “Organizational Blueprints for Success in High-Tech Startups: Lessons from the Stanford Project on Emerging Companies,” *California Management Review*.
- [Optional]: Contigiani, DH. Hsu and I. Barankay (2018). “Trade secrets and innovation: evidence from the ‘inevitable disclosure doctrine’” *Strategic Management Journal*, 39 (11): 2921-2942.

Session 3: Entrepreneurial strategy & finance

Description: In the first part of class, we will discuss entrepreneurial strategy choices and priorities. In search of product-market fit, we will further discuss experimentation and testing strategies. In the second part of class, we will discuss financing early-stage ventures, especially challenges and opportunities over the venture lifecycle.

Preparation prior to class:

- Gans, Scott, & Stern (2018). “Strategy for Start-ups” *Harvard Business Review*, May-June.
- Gans (2020). “To Disrupt or Not to Disrupt?” *Sloan Management Review*, Spring, pp. 40-45.
- “Financing Entrepreneurial Ventures,” Harvard Business School note (HBS product number 8072-HTML-ENG).
- [Optional]: M. Marx and D.H. Hsu (2015). “Strategic ‘switchbacks’: dynamic commercialization strategies for technology entrepreneurs,” *Research Policy*, 44: 1815-1826.
- [Optional]: Gans, Stern & Wu (2019). “Foundations of entrepreneurial strategy,” *Strategic Management Journal*.
- [Optional]: National Venture Capital Association 2021 Yearbook
- [Optional]: DH. Hsu (2004). “What do entrepreneurs pay for venture capital affiliation?” *Journal of Finance*, Vol. 59 (4), August 2004, pp. 1805-1844.
- [Optional]: DH. Hsu & RH. Ziedonis (2013). “Resources as Dual Sources of Advantage: Implications for Valuing Entrepreneurial-Firm Patents,” *Strategic Management Journal*, 34 (7): 761-781

Session 4: Team presentations: entrepreneurial strategy & finance

Description: All teams will present their analysis and recommendations of entrepreneurial strategy & finance, and will receive feedback from the class.

Session 5: Super session #1

Description: venture founders, mentors, technical experts, and students will convene for the first of two extended sessions. Each venture will be allocated a total of 10 minutes. One mentor will be assigned to present and summarize each venture and engage in a discussion with the goal of developing priorities for each venture (progress toward which to be evaluated in super session #2). Rough schedule for the super session is as follows:

9am-11am: team meetings with mentors, round-robin style

11-11:15am: break and networking
11:15-12pm: keynote and discussion
12-12:45pm: lunch and networking
12:45-3pm: pitches and feedback

Session 6: Team presentations reflecting on action items from super session #1 and feedback

Description: Each team will present their initial reflections on the feedback from super session #1, together with their action plan to address the feedback ahead of super session #2. The class will provide feedback to each team.

Session 7: Entrepreneurial scaling and growth

Description: We will discuss various dimensions of venture scaling and apply the concepts to several of the ventures.

Preparation prior to class:

- R. Gulati & A. DeSantola (2016). Start-ups that last. *Harvard Business Review*, 94(3), 14.
- DH. Hsu (2022), "Entrepreneurial Scaling Strategy: Managerial and Policy Implications," in YS Lee and F. Yan, editors, *Drivers of Innovation: Entrepreneurship, Education, and Finance in Asia*, Stanford University Shorenstein Asia-Pacific Research Center Series with Brookings Institution Press.
- [Optional/skim]: DeSantola, A., & Gulati, R. (2017). Scaling: Organizing and growth in entrepreneurial ventures. *Academy of Management Annals*, 11(2), 640-668.
- [Optional]: V.A. Aggarwal and D.H. Hsu (2014). "Entrepreneurial exits and innovation," *Management Science*, Vol. 60 (4), pp. 867-887.

Session 8: Team entrepreneurial value creation and capture presentations and feedback

Description: All teams will present a specific analysis area of value creation and capture as it relates to their focal ventures and receive feedback from the class.

Preparation prior to class:

- D. Teece (2000), "Market Entry Strategies for Innovators: Avoiding Pyrrhic Victories," in *Managing Intellectual Capital*, Oxford University Press, pp. 91-113.

"Session" 9: Team check-in meetings with teaching team

Description: Please sign up with your team to have meetings with the teaching team to discuss progress.

Session 10: Super session #2

Description: venture founders, mentors, technical experts, and students will convene for the second of two extended sessions. Each venture will be allocated a total of 10 minutes. One mentor will be assigned to present and summarize each venture and engage in a discussion with the goal of (1) evaluating progress on agreed-upon goals from super session #1, and (2) developing future priorities for each venture. Rough schedule for the super session is as follows:

9am-11am: team meetings with mentors, round-robin style
11-11:15am: break and networking

11:15-12pm: keynote and discussion
12-12:45pm: lunch and networking
12:45-3pm: pitches and feedback

INDIVIDUAL REFLECTION ASSIGNMENT DUE: APRIL 19, 2023 (11:59pm)

APPLIED RESOURCES FROM THE WEB:

<https://www.ycombinator.com/resources/>

<https://www.startupschool.org/latest>

<https://www.npr.org/podcasts/510313/how-i-built-this>

<https://mastersofscale.com>

<https://future.a16z.com/podcast-network/>