

MGMT 8010: Entrepreneurship (0.5 cu)

TR, 12:00 – 1:30

Prof. Tyler Wry

Fall 2023 Q1

The Wharton School, University of Pennsylvania

Steinberg Hall – Dietrich Hall 2211

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Tues, Thurs.

Classroom: TBD

Office Hours: Encouraged!

IMPORTANT INFORMATION

Office Hours

If you want to chat about the class, venture ideas that you're working on outside of MGMT 801, or just entrepreneurship in general, please grab time directly on my calendar:

<https://app.acuityscheduling.com/schedule.php?owner=20608425>

I. OVERVIEW

Management 801 is Wharton's foundational Entrepreneurial Management, offering a whirlwind introduction to key topics related to venture creation and growth. The class 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. The examples that we will discuss in class apply most directly to venture formation, but the underlying principles are also relevant to corporate intrapreneurship and social entrepreneurship.

II. PROCEDURES

In our second session, the class will split into ventures teams. Working together, you and your team will agree on a business idea, complete well-researched market and competitive analyses, identify and test key assumptions, and pitch your idea in our end-of-class pitch competition.

All assignments are group-based, and we will use peer-evaluation scores to account for the variable effort put forward by each member. Therefore, individual grades are likely to vary within teams.

If you are working on a venture of your own, I will help in any way I can, but I can't promise that you'll be able to pursue it through the class.

III. ASSIGNMENTS and GRADING

Who cares, and why? (20%) (~5 pages, single spaced text + data appendixes)

For the first assignment, I want you to convince me that your venture is worth pursuing, or detail what needs to happen before you can make this determination. To this end, you should discuss:

- (1) Your value proposition, and why you want to pursue this opportunity (*i.e., why you care about your idea*)
- (2) Your beachhead market, and market validation (*i.e., why others will care about your idea*)
- (3) Evidence that your idea can be a business (*i.e., market size, comp. adv., and unit economics*)
- (4) Whether or not the idea is worth pursuing based on current evidence (*i.e., are you ready to progress to the next stage of development, or do you need to pivot, gather more data, etc.?*)

Assumption Testing (20%) (~5 pages, single-spaced text + data appendixes)

For teams that are still trying to figure out “who cares, and why,” this will be a continuation of the first assignment: keep gathering data and interrogating your foundational assumptions! Other teams will progress to hypothesis testing, and report on:

- (1) Assumptions in your business model, and which ones you will prioritize for testing.
- (2) Your testing approach, and why it is well-suited to your chosen assumption(s).
- (3) Results of your tests—including relevant data—and what these imply for your venture.
- (4) Your analysis of what comes next (*i.e., your testing plan going forward*)

Annotated Pitch Deck (20%) (12-15 well-annotated slides)

Each team will produce a 10-15 slide annotated pitch deck. This will include all of the materials that are typically included in a pitch deck, along with extensive notes (*i.e., annotations*) that detail the evidence supporting the points on each slide.

Feel free to use the same deck for this assignment and for your in-class pitch, but be sure to add a ***financial workup*** as well as a ***summary slide that details your assessment of the venture's realistic potential.***

(Note: It is 100% fine to arrive at the conclusion that your venture is not worth pursuing, if this is what the data tells you. You will be graded on the quality of your analysis and decision-making, not on your venture's success prospects.)

Peer evaluation (15%)

To account for variable contributions to group assignments, you will be asked to assign each of your team members a score from 1-15 that reflects their quality of their efforts.

Class Participation (25%)

There will be multiple ways for you to participate in class: here are the main areas where you can accumulate participation points:

- (1) Attendance
- (2) In-class participation (i.e., questions/comments asked through chat or verbally, participating in live polls)
- (3) Scheduling office hours

Fall 2023, Quarter 1

Schedule May Change. Most Up-to-Date Schedule in on Canvas

No.	Date	Day	Topic	Deliverables
1	8/29	R	Intro + Opportunity recognition	
2	8/31	T	Initial idea pitches	Teams formed
3	9/5	R	An evidence-based approach 1: Opportunity analysis	Initial venture idea
4	9/7	T	An evidence-based approach 2: Interviews and research	
5	9/12	R	Business models	Business model 2 ways
6	9/14	T	Entrepreneurial Strategy 1: A data-driven approach	Who cares and why? (20%)
7	9/19	R	Entrepreneurial Strategy 2: MVP Tests	Proposed testing approach
8	9/21	T	New Ventures and social impact	
9	9/26	R	Resources: People, partners, and money	Assumption Testing Assignment (20%)
10	9/28	T	Effective pitching: Strategies and delivery	
11	10/3	R	What I wish I knew before I started:	
12	10/5	R	Pitch competition	Annotated Pitch Deck (20%) Pitch peer-evaluation

READING LIST

Readings for each session are divided into two sections:

- (1) practical resources to help you develop your venture and execute class assignments: **plan to use these.**
- (2) academic papers that give insight into foundational concepts: **engage according to your level of interest.** All available from Prof. Wry.

Session1: Intro + Opportunity Recognition .

Session 2: Teams

Practical Resources

Founders' agreement framework – Penn Law (*link on Canvas*)

Entity choice – Penn Law (*link on Canvas*)

Academic Evidence

Founding team characteristics:

“Entrepreneurial Team Composition Characteristics and New Venture Performance: A Meta-Analysis” by L. Jin (et al.). *Entrepreneurship Theory and Practice*, 2017.

Importance of a founders' agreement:

“The first deal: The division of founder equity in new ventures.” By T. Hellmann, N. Wasserman, *Management Science*, 2017.

Session 3: An evidence-based approach 1: Opportunity analysis

Practical Resources

Archival research:

“Course Library Resource Guide” (*link on Canvas... left side navigation bar*)

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

Practical Resources

How to do customer / industry-insider interviews:

“Customer discovery and validation for entrepreneurs.” by F. Cespedes, T. Eisenmann, S. Blank. HBS note 9812-097

“Talking to humans.” by G. Constable – (*link on Canvas*)

<https://s3.amazonaws.com/TalkingtoHumans/Talking+to+Humans.pdf>

Sessions 5 Business models

Practical Resources

Building your business model:

“Business model generation: a handbook for visionaries, game changers, and challengers.” by A. Osterwalder, Y. Pigneur. John Wiley & Sons, 2010. (pgs. 1-50)

<https://assets.strategyzer.com/assets/resources/business-model-generation-book-preview-2010.pdf>

Academic Evidence

Types of business models:

“Business models and value.” by C. Baden-Fuller, et al. *Academy of Management Proceedings*, 2017.

“Business models and modelling business models.” by C. Baden-Fuller, V. Mangematin. *Advances in Strategic Management*, 2015.

Business model innovation:

“Creating Value through Business Model Innovation” by R. Amit, C. Zott, *Sloan Management Review*, 2012

“The hard truth about business model innovation.” by C. Christensen, et al., *MIT Sloan Management Review*, 2016.

“Measuring business model innovation: conceptualization, scale development, and proof of

Sessions 6+7: Data and MVP tests

Practical Resources

“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 E. Ries (*recommended, not required*)

Academic Evidence

The value of hypothesis testing:

“A scientific approach to entrepreneurial decision making: Evidence from a randomized control trial.” by A. Camuffo et al., *Management Science*, 66(2), 2020.

Failure and Resilience:

“Learning from entrepreneurial failure.” by D. Shepherd et al. *Cambridge University Press*, 2016.

“Beyond hubris: How highly confident entrepreneurs rebound to venture again.” by M. Hayward et al., *Journal of Business venturing*, 25, 2010.

Session 8: New Ventures and Social Impact

Practical Resources

Pursuing a social mission:

“What impact? A framework for measuring the scale and scope of social performance.” by A. Ebrahim , V.K. Rangan. *California management review*, 2014.

“When can impact investing create real impact.” by P. Brest, K. Born. *Stanford Social Innovation Review*, 2013.

Academic Evidence

Social mission pursuit and efficacy:

“Masters of disasters? An empirical analysis of how societies benefit from corporate disaster aid.” By L. Balesteros et al., *Academy of Management Journal*, 60, 2017.

“Local venturing as compassion organizing in the aftermath of a natural disaster: The role of localness and community in reducing suffering.” by D. Shepherd & T. Williams, *Journal of Management Studies*, 51, 2014.

“Taking trade-offs seriously: The contextually contingent relationship between social outreach intensity and financial sustainability in global microfinance.” by T. Wry & E. Zhao, *Organization Science*, 29, 2018

Session 9: Resources: People, partners, and money

Practical Resources

Advisors, Contractors, and Tech Talent:

Advisor agreement template – (link on Canvas) <https://fi.co/fast>

Non-disclosure agreement template – (link on Canvas)

Independent contractor agreement template – (link on Canvas)

“Please, Please, Please Stop asking how to Find a Technical Co-Founder.” by humbledMBA – (link on Canvas) <http://humbledmba.com/please-please-please-stop-asking-how-to-find>

“How to Attract your Technical Co-Founder with 100% Success.” by Onevest – (link on Canvas) <http://blog.onevest.com/blog/2014/12/9/how-to-attract-your-technical-co-founder-with-100-success>

Fundraising:

“The Art of Startup Fundraising: Pitching Investors, Negotiating the Deal, and Everything Else Entrepreneurs Need to Know” by A. Cremandes (*recommended, not required*)

“Will the venture capital dry powder disappear [Post-COVID]?” by J. Sakoda – (link on Canvas) <https://medium.com/@jon.sakoda/will-the-venture-capital-dry-powder-disappear-fe6f48996a34>

Session 10: Effective pitching: Strategies and delivery

Practical Resources

“How to Pitch a Brilliant Idea” by K. Elsbach, *Harvard Business Review*, September 2003.

“Defend your Research: We can Measure the Power of Charisma” by A. Pentland, *Harvard Business Review*, Summer 2009.

Pitch the way VC's think – (link on Canvas) <https://www.khoslaventures.com/pitch-the-way-vcs-think>

The unbreakable laws of storytelling – (link on Canvas) <https://www.khoslaventures.com/the-unbreakable-laws-of-storytelling>

Academic Evidence

“Catalyzing strategies and efficient tie formation: How entrepreneurial firms obtain investment ties.” by B. Hallen, K. Eisenhardt, *Academy of Management Journal*, 2012.

“Can joy buy you money? The impact of the strength, duration, and phases of an entrepreneur’s peak displayed joy on funding performance.” by L. Jiang et al., *Academy of Management Journal* 2019.

“We ask men to win and women not to lose: Closing the gender gap in startup funding.” by D. Kanze et al., *Academy of Management Journal*, 2018.

“Investors prefer entrepreneurial ventures pitched by attractive men.” By A.W., Brooks et al., *Proceedings of the National Academy of Sciences*, 2014.