

New Venture Formation

Tuesdays and Thursdays: 12.30-1.45 (room – LC A7)
Office hours: by appointment on Tuesdays and Thursdays

Course Overview

Today's brisk rate of change in corporate America is largely fueled by new entrepreneurial ideas. The success rate of an idea making money is small not because of the original idea being inadequate, but because the entrepreneur lacks the skills to develop, refine and build the idea. This course is designed to develop the necessary basic skills required by an entrepreneur to develop the idea. The application of these skills is not only limited to start-up situations but can also be applied within a large corporation needing to execute an innovation strategy. Contrary to common image, successful entrepreneurs must be disciplined, structured and persuasive in bringing others along with their vision. By focusing on the initial identification and quantification of an innovative opportunity and its presentation to stake-holders, the course provides a broad introduction to the field of entrepreneurship. During the semester, students will learn the basics of generating ideas, conducting due diligence, identifying investment partners and preparing an executive summary of their idea to pitch it to potential investors.

The course uses several unique learning techniques. First, it relies on “problem-based learning” in which the student learns by actually solving real problems rather than reading text-books with standardized tests.

Secondly, the course relies on a technology infrastructure that allows students to work at their own pace and schedule and thereby allowing class-room time to be more interactive with the faculty. All reading material, case studies and exercises required to build the skills to evaluate a business idea will be delivered through Blackboard. It is recommended that you form diverse teams.

Course Objectives

The primary objective of this course is to give the student the skills to present a convincing argument for a third party to invest into a new opportunity. The third party hypothetically would be one of two groups:

- source of private investment for a start-up either “angels” or institutional venture capital
- a corporate new business development review board

Upon completing the course, the student will have a working knowledge of traditional and non-traditional ways of identifying a new opportunity, quantifying the potential, understanding the key competitive factors, researching the audience, and producing a convincing executive presentation for internal or external venture financing and launch.

Topics introduced during the course include: the definition and function of an entrepreneur in small large organizations, the nature of innovation; discontinuities and market disruption; uncovering new business opportunities; quantifying opportunities; researching competitors and partners;

resource planning, and presenting an opportunity for private financing or corporate sponsorship.

Required Course Material

Articles for reading will be provided throughout the course through the Blackboard system.

GRADING

The Grading will be split as follows between team and individual work.

Class Participation	10%
Entrepreneur Profiles	20%
Blackboard Team Assignments	20%
Feasibility Study Written	30%
Feasibility Study Presentation	20%

1. Class participation. This will be based on participation in class discussions, presentations, and review of peer evaluations. Team members will be required to sign a Team Contract. Mere attendance **does not equal** to participation i.e. if you attend all classes but do not contribute to class discussions, you will get no points. Participation is evaluated based on the contribution provided to class discussions i.e. stating the obvious does not get you points; **making challenging contributions and showing critical thinking/reasoning** get you the most points.
2. There will be two required Entrepreneur Profile. One is archival and one requires you to actually interview an entrepreneur. Each is worth 10% of your grade.
3. There will be no final exam. You will be required to deliver a short feasibility study- no more than twenty-five pages - which elegantly and convincingly outlines a new opportunity, its potential and importance, a request for funding and use of the funds and the benefits to the researched audience. Additionally, the teams will make a presentation at the end of the term. Individual grades are assigned taking into account peer evaluations.
4. Grading. Blackboard Assignments will be graded ✓+, ✓, ✓-. Entrepreneur profiles, final feasibility paper and final presentation will be graded on the standard A, B, C scale.
5. Schedule. Classes will meet once per week. However, some class periods might be canceled for other class related activities.
6. Blackboard. All class material, assignments, and due dates will be posted on Blackboard. A tentative class schedule is shown below. Instructor reserves the right to alter the schedule when needed.

7. Attendance. **This class has a strict attendance policy:** You may miss two classes without penalty. If you miss a third class, you will lose **5% from your final grade**. The **only** exception to this policy is if you have a **university** approved absence (such as Martin Luther King Day of Service, field trips, debate trips, choir trips, and athletic contests). **If you cannot attend every class you should drop this course.**
8. **Late Assignments. The due dates for assignments are non-negotiable. Late work will be penalized**

Tentative Course Schedule

	Due Date	Folder	Description	
Week 1	Aug 28 Aug 30	Introduction Students' presentations	Introduction to the class	
Week 2	Sep 4 Sep 6	Cases	Opportunity Drivers	
Week 3	Sep 11 Sep 13	Business Opportunities	Sources of ideas Idea generation, screening, and evaluation	
Week 4	Sep 18 Sep 20	Opportunity Evaluation	Turning Ideas into Opportunities	Present your idea
Week 5	Sep 25 Sep 27	Intellectual Property	What is IP IP requirements Patents, Copyright, Trademarks	
Week 6	Oct 2 Oct 4	Competitive Analysis	Tools for competitive analysis Competitors products / services SWOT Analysis	
Week 7	Oct 9 Oct 11	Your Market	Customer Segmentation Market Segmentation Product Positioning	
Week 8	Oct 16 Oct 18	No Class	Work on your midterm presentations and entrepreneur profile	Entrepreneur profile due
Week 9	Oct 23 Oct 25	Business Model	Why the Business Model is Critical	
Week 10	Oct 30 Nov 1	Finance I	Bootstrapping Sources of Finance	

			Finance requirements	
Week 11	Nov 6 Nov 8	Finance II	Start up Valuation Venture Capital and Angels	
Week 12	Nov 13 Nov 15	Exit Strategy	Various Exit Strategies	
Week 13	Nov 20 Nov 22	Business Planning and Feasibility Studies	Structure Presentation	
Week 14	Nov 27 Nov 29	No class	Work on your presentations and feasibility studies	
Weeks 15 & 16	Dec 4 Dec 6	Presentations	Team presentations	
Finals Week	Dec 11 by noon		Hand in Feasibility Study	

Notes on Academic Integrity

As an academic community, the University of Illinois at Chicago is committed to providing an environment in which research, learning, and scholarship can flourish and in which all endeavors are guided by academic and professional integrity. All members of the campus community -- students, staff, faculty, administrators -- share the responsibility of insuring that these standards are upheld so that such an environment exists. Instances of academic misconduct by students, and as defined herein, shall be handled pursuant to the [Student Disciplinary Policy](#).

Academic dishonesty includes, but is not limited to:

Cheating

Either intentionally using or attempting to use unauthorized materials, information, people, or study aids in any academic exercise, or extending to or receiving any kind of unauthorized assistance on any examination or assignment to, or, from another person.

Fabrication

Knowing or unauthorized falsification, reproduction, lack of attribution, or invention of any information or citation in an academic exercise.

Facilitating Academic Dishonesty/Plagiarism

Intentionally or knowingly representing the words or ideas of another as one's own in any academic exercise.

Bribes, Favors, Threats

Bribing or attempting to bribe, promising favors to or making threats against, any person, with the intention of affecting a record of a grade, grade, or evaluation of academic performance. Any conspiracy with another person who then takes or attempts to take action on behalf or at the direction of

the student.

Examination by Proxy

Taking or attempting to take an exam for someone else other than the student is a violation by both the student enrolled in the course and the proxy or substitute.

Grade Tampering

Any unauthorized attempt to change, actual change of, or alteration of grades or any tampering with grades.

Non-Original Works

Submission or attempt to submit any written work authored, in whole or part, by someone other than the student.

Penalties for Academic Dishonesty □ All allegations of student academic misconduct shall be handled pursuant to the [Student Disciplinary Policy](#).

Judicial Liaison Process

For cases involving academic misconduct, the complainant may choose to submit the case to the Judicial Liaison process. Only students who do not have a prior disciplinary case are eligible for this process. While this process is less formal, it is still designed to insure that students are treated fairly.

In the Judicial Liaison process, the student will be called in to discuss the case with the Executive Director of the Senate Committee on Student Discipline. The issue is discussed and the student is presented with the complainants suggested sanction. The student will then choose to accept or decline the sanction. If the student declines the sanction, the complainant can resubmit the case to the formal process.

Disability Services Notification

Concerning disabled students, the University of Illinois at Chicago is committed to maintaining a barrier-free environment so that individuals with disabilities can fully access programs, courses, services, and activities at UIC. Students with disabilities who require accommodations for full access and participation in UIC Programs must be registered with the Disability Resource Center (DRC). Please contact DRC at (312) 413-2183 (voice) or (312) 413- 0123 (TDD).