



College of Business Administration

ENTR 502, Entrepreneurship (4 credit hours; Call # 23350)

Fall 2012, Mondays, 6:00 PM – 8:30 PM (TH 207)

GENERAL INFORMATION

Instructor: Dr. Maija Renko	Phone: 312 413 8237
Office: University Hall 2211	Fax: 312 996 3559
Office Hours: Mondays 3-5 PM or by appointment	E-mail: maija@uic.edu

COURSE DESCRIPTION

This course provides an introductory overview of the knowledge and skills needed for the identification, evaluation, and exploitation of opportunities in a variety of circumstances and environments. To quote Howard Stevenson from Harvard Business School, entrepreneurship is defined as “The Pursuit of Opportunity Without Regard to Resources Controlled”. The key pieces in an entrepreneurial puzzle are (1) entrepreneurial team, (2) resources, and (3) opportunity. These are the three main components of the course, and we will learn about each one of them through readings, interactive lectures, teamwork, and examples from real life entrepreneurs.

Over the course we will expand the definition of an entrepreneur beyond what we typically consider an entrepreneur (i.e., a person to starts and/ or runs a business) to include people who are entrepreneurs within other companies. We will do this for two reasons. First, as you will see, many entrepreneurs spend years developing skills and experience as traditional employees working for others before venturing out on their own. Second, I believe that the mind-set and skills that can make you a successful entrepreneur are the same ones that can make you a successful executive. Indeed, high-growth, innovative companies need entrepreneurs to drive growth and innovation within their companies. My hope is that whenever (i.e., now or later) or wherever (i.e., inside a company or on your own) you decide to step apart from the crowd and take on the age-old challenge of being an entrepreneur, you will have available to you some tools and knowledge that will improve your chances of success.

This course is designed to help you understand what it means to be an entrepreneur, to help you decide if and when you want to follow an entrepreneurial path, and to give you some basic

tools to pursue such a path successfully.

The teaching style of this course will mix theory and academic concepts with practical applications. In some classes, we will hear from “real life” entrepreneurs. This will give you a chance to customize the course by asking questions you care about. I also hope that it will expose you to the real world of entrepreneurship that lies beyond theories and frameworks and that it will allow you to pick up on intuitive nuances of entrepreneurship.

LEARNING OBJECTIVES & OUTCOMES

- Introduce the concept of the entrepreneurial mindset
- Explore the process of entrepreneurship with particular attention to the pre-startup and early stages of business creation
- Learn how to recognize, define, test and exploit business opportunities
- Develop business ideas into business models that create value
- Determine the feasibility of the business concept through industry, market, trend, economic, breakeven, and risk analyses
- Identify a proper ethical and legal foundation for the business concept
- Prepare a succinct and effective oral and written presentation explaining the viability of a business concept.

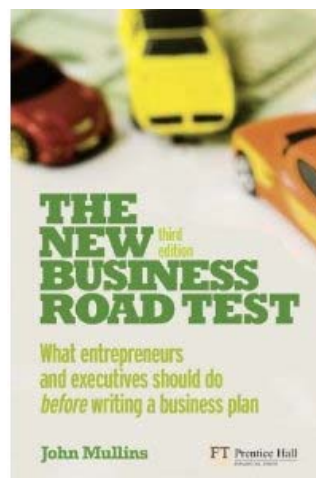
TEXTS

Required Textbook: *The New Business Road Test* by John W. Mullins

2nd or 3rd edition, 2008/2010, Prentice Hall

ISBN13: 9780273708056

ISBN10: 0273708058



Additionally, every student will read **one of the following** entrepreneurial stories:

1. Frank Sennett: *Groupon's Biggest Deal Ever: The Inside Story of How One Insane Gamble, Tons of Unbelievable Hype, and Millions of Wild Deals Made Billions for One Ballsy Joker*. Publisher: St. Martin's Press, 2012 (ISBN-10: 125000084X)
2. Tony Hsieh: *Delivering Happiness: A Path to Profits, Passion, and Purpose (Zappos)*. Publisher: Business Plus, 2010 (ISBN-10: 0446563048)

3. Ron Koss & Arnie Koss: *The Earth's Best Story: A Bittersweet Tale of Twin Brothers Who Sparked an Organic Revolution*. Publisher: Chelsea Green Publishing, 2010 (ISBN: 1603582398)

In addition, we will use some articles and cases from Harvard Business School Press in the class. All of these materials can be purchased from the HBS publishing website at www.hbsp.harvard.edu. We will also read some free, internet-based current business articles from a variety of sources, including Crain's Chicago, Business Week, Fortune, Fast Company, and Forbes. Additionally, you are strongly encouraged to regularly read the business press (e.g., Business Week, Wall Street Journal, Fortune, etc.) in order to keep up with emerging information that will be important to your future as an entrepreneur!

Other recommended readings:

- Burlingham, B. (2007) *Small Giants: Companies That Choose to Be Great Instead of Big*.
- Gunther McGrath & MacMillan (2000) *The Entrepreneurial Mindset*.
- Kaplan, J. (1996). *Startup: A Silicon Valley Adventure*.
- Kawasaki G. (2003) *The art of a start*.
- Kim & Mauborgne (2005) *Blue Ocean Strategy: How To Create Uncontested Market Space And Make The Competition Irrelevant*.
- Komisar R. (2001) *The Monk and the Riddle. The Art of Creating a Life While Making a Living*
- Livingston J. (2008) *Founders at Work: Stories of Startups' Early Days*
- Mariotti, S. (2000) *The Young Entrepreneur's Guide to Starting and Running a Business*.
- McFarland, K. (2008) *The Breakthrough Company: How Everyday Companies Become Extraordinary Performers*.
- McKeever, M.P. (2010) *How to Write a Business Plan*.
- Moltz B. (2003) *You Need To Be a Little Crazy: The Truth About Starting and Growing Your Business*
- Niemann, G. (2007) *Big Brown: The Untold Story of UPS*.
- Pelfrey, W. (2006) *Billy, Alfred, and General Motors: The Story of Two Unique Men, a Legendary Company, and a Remarkable Time in American History*.
- Ries, E. (2011) *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses*.
- Shane, S. (2008) *The Illusions of Entrepreneurship: The Costly Myths That Entrepreneurs, Investors and Policy Makers Live by*.
- Schultz, H. (1997/1999) *Pour Your Heart into It: How Starbucks Built a Company One Cup at a Time*.
- Timmons & Spinelli (2008) *New Venture Creation: Entrepreneurship for the 21st Century*.
- Wozniak, S. (2006) *iWoz. Computer geek to cult icon*.
- Yunus, M. (2003) *Banker to the Poor: Micro-Lending and the Battle Against World Poverty*.

TEACHING METHODOLOGY

The course will accomplish the learning objectives through a diverse mix of methods and activities, including:

- Class lectures and discussions, including analysis and discussion of cases
- Guest speaker presentations and dialogue
- Readings
- Work in teams to prepare a feasibility plan
- Presenting the outcome of the feasibility plan

GRADING

Course Requirements	Weights
Feasibility analysis, presentation (team)	15%
Feasibility analysis, written report (team)	30%
Book reading assignment	10%
Three quizzes on readings	25%
Participation	20%
Total	100%

My interpretation of each grade:

A: Excellent. All my suggestions for completing this assignment were taken seriously and a genuine attempt was made to avoid mediocrity. I would be proud to show this work to others.

B: Good job. Assignment was completed on time. Some parts were not developed fully. The work is good, but not great.

C: I had to yawn while reading the assignment (or listening to the presentation). Significant portions of the assignment were missing or incomplete.

D: I became angry that you had wasted time, yours and mine. Big gaps in the assignment made it extremely hard to follow.

F: You just did not try.

Letter Grade	Range
A	90-100%
B	80-89
C	70-79
D	60-69
F	Under 60

FEASIBILITY ANALYSIS, PRESENTATION (15%)

Groups of 2-3 members of your own choosing will be formed after early class sessions devoted to considering business ideas and opportunities. Teams will select a specific business opportunity to research. The research efforts will result in a feasibility analysis report and a related presentation. The presentation should be a 15-minute business “pitch” on the chosen business concept. The presentations will be delivered in the last class session. After each presentation, we will have another 10 min for questions and answers about your business idea.

Think of your business concept as if you were presenting it to your boss or to investors. You can use all the knowledge you have gained over the course of this course to put together a good & convincing presentation of your business concept. Why should your investor / boss buy your idea?

FEASIBILITY ANALYSIS, WRITTEN REPORT (30%)

In a team of 2-3 students, you are required to prepare a written feasibility analysis (about 20 pages). In the analysis, you should address at least the following issues:

- What is the “pain” your idea is relieving?
- Assess the market (customers, competition, industry trends) for your new business idea. You should report on primary market research that the team has completed e.g. through interviewing potential customers or through an online survey. Specifics of this customer research should be added to the appendices of your feasibility analysis.
- Describe your basic revenue model: Who will be paying to you? Why are they willing to pay? Where do you expect to find the initial capital for launching the business? A rough estimate of how much you would need?
- In your write-up please have a rough pro forma income statement for the first year of your business operations. Also, please complete a breakeven analysis. These should be added as appendices to your document.
- Evaluate whether you and your management team possess the characteristics required to make the proposed business successful.
- You should also briefly address your planned intellectual property protection and legal issues that may affect your business. Depending on the type of business, these considerations may have to be analyzed in depth (e.g. what is the status of your patent application in case you are planning to commercialize an innovative new gadget; or in the case of an internet based business, how will you take care of the special legal aspects of that kind of a business model)

More information on what to include in the analysis will be provided throughout the class sessions. A sample outline for the feasibility analysis can be found on Blackboard (Feasibility

plan framework under Course Documents). Please understand that completing this kind of an assignment with your team will take plenty of time, and you have to find this time outside of the classroom. I suggest you start working on the various parts of the analysis as soon as the teams are formed. If you run into problems on the way please don't hesitate to ask for help. However, do not expect this help to be available the last day before the assignment deadline.

CLASS PARTICIPATION (20%)

Class participation accounts for 20 per cent of your final grade. You should come to a class meeting on time and prepared, stay for the whole class, and participate in class discussion (ask and answer questions). Please keep your cell phone and other personal communication devices off while in class.

BOOK READING ASSIGNMENT (10%)

The purpose of this assignment is to familiarize you with a current book about entrepreneurs, their thinking, personalities, and leadership styles. This gives you an opportunity to read a book in the popular press, as a class assignment, that explores in depth the entrepreneurial mindset and the practice of entrepreneurship. The assignment also gives you a context in which to reflect your own entrepreneurial strengths and weaknesses and how these tendencies might affect your success as an entrepreneur.

Students will be asked to read one of three books during the semester. The choices are (1) Groupon's Biggest Deal Ever, (2) Delivering Happiness: A Path to Profits, Passion, and Purpose (Zappos) and (3) The Earth's Best Story: A Bittersweet Tale of Twin Brothers Who Sparked an Organic Revolution. On the designated book discussion date (see schedule below) students who have read that day's book will

- a) prepare a three-page report (individually) that highlights a key insight from the book and how your thinking about entrepreneurs and entrepreneurship was impacted by reading this book, and
- b) in 15-20 min, teach the story of the entrepreneur highlighted in the book to the rest of the class. This will be a team effort with all the other students who read the same book. This will require teamwork and preparation before the class. You are free to prepare powerpoints or other materials to support your presentation but this is not required. Your goal should be sharing the entrepreneur's story with the class, and engaging everyone in class in an open discussion on the book's topic.

Grading will be primarily based on the strength of your written report; your role in the class presentation / discussion will be a part of your class participation grade.

THREE QUIZZES ON READINGS (25%)

In this course you do not have final exam. However, three quizzes will be used to test your knowledge of the concepts and principles presented in the assigned readings. The quiz questions may consist of multiple choice questions, fill-in-the-blank questions, and / or short answer essay-type questions. No books or other written materials are allowed during the quizzes. Calculators (not cell phones) are allowed.

The quizzes must be taken at the assigned times (see class schedule below) unless you have a legitimate reason for not being able to attend. In this case, your excuse should be communicated to the professor as soon as possible; one opportunity for a make-up quiz will be given.

EXPECTATION OF THIS COURSE

You can put as much or as little work into the class as you'd like. The key to receiving a good grade in this course is to be self-motivated and to see this as a unique opportunity to learn for your career!

A part of our work will be done in groups. This may add a level of complexity that you are not used to encountering in your classes (e.g., group conflicts, different personality types). These complexities are an essential part of the learning process because any idea you choose to execute in your life will probably require a team.

COURSE CALENDAR

The course syllabus provides a general plan for the course; deviations may be necessary. It is your responsibility to stay apprised of changes in assignments, due dates, material to be covered, etc. Any changes will be announced on the course Blackboard site and communicated in class.

Date	Topic	Readings and assignments due (BB=Blackboard)
8/27	Introduction to course	Read the syllabus and buy the books
9/3	Labor day. No classes.	

9/10	Introduction to entrepreneurship and entrepreneurial mindset	<p><i>The United States of Entrepreneurs</i>, an article from The Economist, March 12th 2009. (BB)</p> <p><i>Just do it</i> (Famous Amos) (BB)</p> <p>Watch the assigned video clips online (interviews with entrepreneurs).</p>
9/17	Idea generation and creativity	<p><i>Opportunity Recognition as Pattern Recognition: How Entrepreneurs "Connect the Dots" to Identify New Business Opportunities</i>. By: Baron, Robert A. Academy of Management Perspectives, 2006, Vol. 20 Issue 1, p. 104-119. Available in library reserve, access through BB.</p> <p><i>The Innovator's DNA</i>. By: Jeffrey H. Dyer, Hal B. Gregersen & Clayton M. Christensen, Harvard Business Review, Dec. 2009. Available in library reserve, access through BB.</p>
9/24	Using market information and research to evaluate business opportunities	<p>Chapters 1-3 in <i>The New Business Road Test</i></p> <p>Quiz 1: Covers Chs 1-3 in <i>The New Business Road Test</i> and two articles: <i>Opportunity Recognition as Pattern Recognition</i> (Baron 2006) and <i>The Innovator's DNA</i> (Dyer et al., 2009).</p>
10/1	Feasibility analysis idea presentations	<p>Team assignment due: Prepare a short description of the venture you are working on for the feasibility analysis. See course website for specific instructions.</p>
10/8	Entrepreneurial market research & learning by doing	<p><i>Hypothesis-Driven Entrepreneurship: The Lean Startup</i>, by Eisenmann, Ries & Dillard (2011). (HBS article).</p>
10/15	Using industry and competitive analysis to analyze entrepreneurial opportunities	<p>Chapters 4-5 in <i>The New Business Road Test</i></p> <p><i>Why business models matter</i>. by Maaretta</p>

		<p>(2002), Harvard Business Review. Available in library reserve, access through BB.</p> <p>Case: <i>Zipcar: Refining the business model</i> (HBS case). Read the case before the class and come to class prepared to discuss the case topics.</p>
10/22	Using financial information in the opportunity evaluation process	<p><i>Will My New Business Ever Make Money?</i> Forbes-article from 01/16/2007. (BB)</p> <p><i>Conducting a Break-Even Analysis.</i> Entrepreneur.com-article (BB)</p> <p>Case: <i>Sombrero: Proposed Fruit Juice Outlet</i> (HBS Case).</p> <p>Team assignment due: By Fri, 10/19 share your market research plan (2-4 pages) through Blackboard with other students & professor. In class you'll get feedback to your plan from the professor as well as from another team that is assigned to comment on your plan. See course website for specific instructions.</p>
10/29	Key resources: Sources of financing, finding the right people	<p>Chapters 6-7 in <i>The New Business Road Test</i></p> <p><i>An Entrepreneur's Guide to the Venture Capital Galaxy.</i> By: De Clercq, Fried, Lehtonen & Sapienza in Academy of Management Perspectives, 2006, Vol. 20 Issue 3, p. 90-112. Available in library reserve, access through BB.</p> <p>Team assignment due: Prepare a breakeven analysis of your team's business idea (an integrated part of your final feasibility analysis). See course website for specific instructions.</p>
11/5	Legal forms of business ownership, intellectual property	<p>Ch 8 in <i>The New Business Road Test</i></p> <p><i>Business Structure Basics.</i> Entrepreneur.com-article (BB)</p>

		<p>Quiz 2: Covers (1) Chapters 4-5 in <i>The New Business Road Test</i>, (2) breakeven analysis and (3) <i>Business Structure Basics</i>- article.</p> <p>Class discussion on <i>Delivering Happiness: A Path to Profits, Passion, and Purpose</i> (Zappos). Book report due!</p>
11/12	Emerging Business Models	<p><i>Multimedia Case: Threadless: The Business of Community.</i> (HBS multimedia case). Prepare the case before the class and come to class prepared to discuss the case topics. NOTE: The case is delivered on a CD-rom from HBSP website, make sure to purchase it in time to allow time for delivery.</p>
11/19	Social entrepreneurship	<p><i>The Meaning of Social Entrepreneurship</i>, by J. Gregory Dees. (BB)</p> <p>Quiz 3: Covers the following three articles: (1) <i>Why business models matter</i>, (2) <i>An Entrepreneur's Guide to the Venture Capital Galaxy</i>, and (3) <i>The Meaning of Social Entrepreneurship</i>.</p> <p>Class discussion on <i>The Earth's Best Story: A Bittersweet Tale of Twin Brothers Who Sparked an Organic Revolution</i>. Book report due!</p> <p>Team assignment due: Prepare a summary of the market analysis completed by your team for the feasibility analysis. See course website for specific instructions.</p>
11/26	<p>How to present a business idea?</p> <p>Watch & discuss a business plan presentation</p>	<p>Ch 9-10 in <i>The New Business Road Test</i></p> <p>Read a business plan (to be assigned, available on BB) and watch the related presentation in class.</p> <p>Class discussion on <i>Groupon's Biggest Deal Ever</i>: Book report due!</p>

12/3	<p>Written feasibility analysis due, all teams!</p> <p>Feasibility analysis presentations in class, all teams.</p>
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ADDITIONAL INFORMATION

- Please do not be late for class. It is very disruptive to have students coming into class after we have started.
- Please note the academic deadlines of the UIC graduate college:
<http://grad.uic.edu/cms/?pid=1000222>
- Confidentiality and ethics are extremely importance. Plagiarism, in any form or degree, will have significant negative impact on your grade. This course and its associated coursework are being administered under the policies of the University of Illinois at Chicago (UIC) College of Business Administration Honor Code. All students are expected to respect and uphold this code: <http://www.uic.edu/cba/Faculty/academicaffairs/honorcode.html>
- All students should understand and follow the UIC policies regarding intellectual integrity and academic honesty, which are available at: <http://www.uic.edu/depts/dos/studentconduct.html>
- Attendance is your decision, but remember that class participation affects your grade.
- Recording equipment in class is prohibited at all times.
- Late Work: Assignments will be graded down 10% after class, and 10% for each additional day they are late. Exceptions to this rule will be considered for unusual circumstances.
- Proofread your work! If you are uncertain of your own language skills, have others proofread and correct your writing. Poor language and grammar will have a significant negative effect on your assignment grade.
- Information about or links to university information about academic deadlines, religious holidays, consequences for academic honesty,
- Special Considerations: Come talk to me during or after the first class period should you:
 1. Have specific physical, psychiatric, or learning disabilities which require accommodations. Discussing this with me early in the semester will ensure your learning needs are appropriately met. At UIC, we are committed to maintaining a barrier-free environment so individuals with disabilities can fully access programs, services and all activities on campus. Information on disability resources is available at

<http://www.uic.edu/uic/studentlife/studentservices/disability.shtml>

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).

2. Observe religious holidays or practices which will require you to be away at some point during the semester or which could affect your performance in this class (For more information, see the UIC Senate Policy on religious holidays).