

# MANAGEMENT 160

## Entrepreneurship and Venture Initiation

Fall 2021

**Section 01: Mondays & Wednesdays, 2 PM PST - 3:15 PM PST, Public Affairs Building 1222**

**Section 02: Mondays & Wednesdays, 2 PM PST - 3:15 PM PST, Haines Hall 220**

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### Course Description

This course serves as a rigorous introduction to entrepreneurship and small business development from the perspective of the entrepreneur. It is intended to be a self-contained course that introduces the concepts of idea generation, market analysis, fundraising, legal corporate structures, and basic financial accounting for entrepreneurial endeavors. Mastery of any individual subject area is beyond the scope of this class, but the student will be expected to understand the basic concepts introduced and demonstrate the attained knowledge through thoughtful comments and insightful questions in class, written in-class exams, and a graded team presentation on a topic relating to entrepreneurship. By understanding the basic building blocks of new venture initiation, students will be able to seek out additional resources (e.g. online materials, guest lectures, etc.) that can supplement the material learned in the course.

While this course will focus extensively on the core fundamentals of building a business, the class will also emphasize the inherent experiential nature of entrepreneurship. Successful entrepreneurial students must always be learning from the collective small business and entrepreneurial experience available: from distinguished guest lectures on campus to family barbeques or a conversation with the local barber shop owner. A two-fold approach will be adopted to expose students to the decisions faced by real life entrepreneurs. First, guest lecturers will be invited to speak about their first-hand experience. The emphasis of the guest lectures will be on small ventures, not mega-success stories like Bill Gates or Steve Jobs.

In addition to the guest lectures, Harvard Business School cases will be utilized to expose students to the real decisions faced by entrepreneurs and introduce case-based learning. Case-based education is the dominant learning mechanism utilized in top business schools around the world today to prepare the next generation of business leaders. Cases are designed to present a snapshot in time when a business leader or leadership team needed to make a critical decision. A case provides significant detail and the core information to be considered by management when reaching a decision. These cases have been selected to highlight entrepreneurial decisions including marketing a new energy drink (West Coast Chill in 2010), disruptive innovation (Tesla in 2020), developing a new smartphone app (Discotech in 2020), fundraising for an early stage startup (Crowdfunding: A Tale of Two Campaigns, 2014) and commercializing social robots (Jibo in 2015).

# **MGMT 160: Entrepreneurship and Venture Initiation**

## *Course Schedule at a Glance*

#	Date	Session Description
0	Sept. 23	TBD
1	Sept 27/28	Introduction to Entrepreneurship; Entrepreneurial Paths; Opportunity Recognition <ul style="list-style-type: none"> <li>• Course Reader: <i>A Perspective on Entrepreneurship</i></li> </ul>
2	Sept 29/30	Multimedia Case: <i>West Coast Chill</i>
3	Oct. 4/5	The Business Model Canvas; The Value Proposition Canvas; The Environment Map <ul style="list-style-type: none"> <li>• VPD: Intro (pp. xiv-xvii), Chapter 1 (pp. 6-49)</li> <li>• BMG: pp. 1-49</li> </ul>
4	Oct. 6/7	Understanding Customers; Hypothesis-Driven Entrepreneurship <ul style="list-style-type: none"> <li>• VPD: Chapter 1 (pp. 50-63), Section 2.3 (pp. 104-119), Chapter 3 (pp. 178-253)</li> <li>• Simulation: <i>The Food Truck Challenge</i></li> </ul>
5	Oct. 11/12	Entrepreneurial Strategy <ul style="list-style-type: none"> <li>• Course Reader: <i>Introduction to Strategy</i></li> <li>• Course Reader: <i>Blue Ocean Strategy: From Theory to Practice</i></li> </ul>
6	Oct. 13/14	Case: <i>Tesla, Inc.</i>
7	Oct. 18/19	Exam #1
8	Oct. 20/21	LTV & CAC & TAM & Beachhead Market
9	Oct. 25/26	Entrepreneurial Accounting <ul style="list-style-type: none"> <li>• Course Reader: <i>Basic Accounting Concepts and Assumptions</i></li> <li>• Course Reader: <i>Overview of Financial Accounting</i></li> </ul>
10	Oct. 27/28	In-Class Accounting Exercise
11	Nov. 1/2	Raising Capital: Introduction & Crowdfunding <ul style="list-style-type: none"> <li>• Course Reader: <i>Financing Entrepreneurial Ventures</i></li> <li>• Course Reader: <i>Choose Wisely: Crowdfunding through the stages of the startup life cycle</i></li> </ul>
12	Nov. 3/4	Case: <i>Crowdfunding: A Tale of Two Campaigns</i>
13	Nov. 8/9	Raising Capital: Venture Capital <ul style="list-style-type: none"> <li>• Course Reader: <i>Financing Entrepreneurial Ventures (cont.)</i></li> </ul>
14	Nov. 10/11	Case: <i>Jibo</i>
15	Nov. 15/16	Exam #2
16	Nov. 17/18	Business Plans & Elevator Pitches <ul style="list-style-type: none"> <li>• Course Reader: <i>Developing Business Plans and Pitching Opportunities</i></li> <li>• Case: <i>Discotech</i></li> </ul>
17	Nov. 22/23	Legal Topics for Entrepreneurs <ul style="list-style-type: none"> <li>• Course Reader: <i>The Protection of Intellectual Property in the United States</i></li> <li>• Course Reader: <i>Legal Forms of Organization</i></li> </ul>
18	Nov. 24/25	Thanksgiving Holiday – No Class!
19	Nov. 29/30	Group Presentations
20	Dec. 1/2	Group Presentations (cont.)
	July 27-30	Final Exam (Lec 01: Thr. Dec. 9 @ 11:30 AM, Lec 02: Tues. Dec. 7, 2021 @ 3 PM)

## **Classroom Matters**

Class attendance and participation are critical to providing a rich learning environment for your colleagues and critical for understanding the material presented. Students are expected to read assigned material BEFORE each class, and come to class prepared to have an intellectual conversation about the assigned material. The instructor may rely on cold-calling and other techniques to foster a vibrant class discussion. Please note that the quality of participation matters much more than the quantity of participation. That is, high-quality participation means much more than merely talking a lot, it involves being articulate and focused in your comments or questions. However, the idea of a classroom environment is to be a “protected space” where students feel comfortable asking questions or expressing reasoned opinions. Any student disrespecting or belittling their fellow classmate’s genuine learning efforts in class will have their class participation grade significantly adversely impacted.

Class attendance will be taken by the TA during every class. Students are expected to attend the entire lecture, and arriving late or leaving early may impact your class participation score.

## **Required Reading**

- Required Course Reading Pack: <https://hbsp.harvard.edu/import/868621>
- Required Simulation Course Pack: <https://hbsp.harvard.edu/import/868622>
- Alex Osterwalder, Yves Pigneur, Greg Bernarda, Alan Smith (2014). Value Proposition Design. Hoboken, New Jersey: John Wiley & Sons. This text is referred to as “VPD” below. Purchase wherever books are sold, e.g. on Amazon (~ \$18 electronic, ~ \$23 paperback):
  - <https://www.amazon.com/Value-Proposition-Design-Customers-Strategyzer/dp/1118968050>
- Alexander Osterwalder and Yves Pigneur (2010). Business Model Generation. ISBN-10: 8126533676, ISBN-13: 978-0470876411. This text is referred to as “BMG” below.
  - Note: you can download a free preview of the book from the author’s website which contains ALL of the assigned reading material:
    - [http://www.businessmodelgeneration.com/downloads/businessmodelgeneration\\_preview.pdf](http://www.businessmodelgeneration.com/downloads/businessmodelgeneration_preview.pdf)
- Additional required readings may come from free online resources.

## **Course Requirements**

Note Professor Wilson exclusively reserves the right to make case-by-case exceptions to the grading policies below. Students should understand that approved exceptions are EXTREMELY RARE and nearly all such requests will be denied by the instructors. Students must request exceptions to the policies below in writing (e.g. email), and should understand that WRITTEN APPROVAL from the instructor must be explicitly obtained or the request should be considered denied.

## **Grading Criteria**

You will receive an individual grade in this course based on your performance throughout the course. The grade will be determined as follows:

<b>Components of Final Course Grade</b>	<b>Contribution to Grade (%)</b>
Attendance & Class Discussion (individual)	20%
Study Guide Exercises (individual)	10%
Exam #1 (individual)	10%
Exam # 2 (individual)	10%
Final Exam (individual)	30%
Individual Case Write-Up	2.5%
Group Case Write-Ups (team)	10%
Group Business Pitch Idea Approval (team)	2.5%
Group Final Presentation (team)	5.0%
<b>TOTAL</b>	<b>100.0%</b>

The final grades will be assigned based on a relative distribution. No more than 50% of the class will receive a grade of “A-” or above. A typical grade distribution is approximately 40-45% of the class in the “A range”, approximately 40-45% of the class in the “B range”, and 10-20% other.

*Note: It is anticipated that all team members will receive the same grade for the group assignments. However, individual students may have their grade lowered due to lack of contribution to the effort as determined by the professor based on observation and peer-review team feedback.*

### **Attendance and Class Participation**

Since a significant part of learning takes place during class sessions, attendance, active case preparation and class participation are all expected. If you miss more than TWO class sessions, your final grade will be lowered. In particular, for each additional absence, you will lose 12.5% of the final class participation grade (i.e. 5% reduction in your overall final grade). Missing more than fifteen minutes of any class may be considered a half-absence, while missing more than one hour of class will be considered a full absence. Please consult the TA for additional information or clarification if needed. Each student will be evaluated individually. Class participation will be graded on a relative distribution.

Please note, you should NOT take this class if you have any standing conflicts that would prevent you from being in class. No accommodation whatsoever will be made under any circumstances for students who schedule other classes that partially or completely overlap with this course, either for their lecture component or any course requirements outside (e.g. exams). Unfortunately, no accommodations of any kind will be made for students with internships, paid or unpaid, that prevent you from attending class. In other words, you should take MGMT 160 if you can actually attend the lectures live. Classes start promptly at the starting time so please plan your schedule where you have time to make it to class on time.

*Note: signing an attendance sheet for another student or having someone else sign in for you on an attendance sheet is blatant academic dishonesty (e.g. see below for Academic Integrity). There are no warnings and students caught either having someone sign in for them or signing in for another student will lose between 50% - 100% of their final participation grade in the course. Students may also be referred to the Dean of Students for further disciplinary action for academic dishonesty.*

### **No Laptop/ No Cell-Phone/ No Electronic Devices Policy**

During lecture, case discussion, or guest speakers, we will have a “no laptop & no cell phone” policy. Students are expected to pay attention during lecture and not be on social media or email or playing on their phones. We will do several exercises throughout the quarter for which an individual laptop/tablet will be helpful. The teacher will clearly indicate when it is appropriate to use your electronic devices. At the sole discretion of the professor, you may receive a warning the first time you access your electronic devices outside of the appropriate time. However, in general, each infraction of the no electronic devices policy will result in at least a 25% reduction of your final class participation score. Any behavior considered disruptive will result in a 25% - 100% reduction of your final class participation score.

### **Final Exam**

A 180 minute ~~in-class, closed book, closed note~~, and closed computer (except for Respondus) comprehensive final exam will cover all the material covered in the class. The final exam may consist of multiple-choice, short answer, and essay questions. Students must take the final-exam using Respondus at the assigned time. No make-up examinations will be allowed.

### **Exam #1 and Exam #2**

A 120 minute ~~in-class, closed book, closed note~~, and closed computer (except for Respondus) comprehensive exams will cover all the material covered in the class (see Details Section). The exams may consist of multiple-choice, short answer, and essay questions. Students must take the exam using Respondus at the assigned time. No make-up examinations will be allowed.

### **Startup Simulation**

The class will play one interactive simulation during class as detailed later in the syllabus. Active participation will be necessary to receive full credit for the simulation. Students must be present at the assigned time for the simulation. No make-up simulations will be allowed. In particular:

- *The Food Truck Challenge*: will be counted towards the participation grade. Participation in the food truck challenge may be graded on a relative distribution.

Note: To receive credit for the simulation, you MUST individually and personally purchase the simulation course pack listed above under "Required Reading" from HBSP. You positively cannot share simulations with any other student. Any student that hasn't purchased the simulation course pack by 9 AM the day of the simulation will receive an automatic zero.

### **Individual Case Write-Ups**

Each individual case write-up will consist of a two page paper that applies the material learned in class and applies critical reasoning skills to a business situation. Quantitative as well as qualitative analysis is expected. The individual case write-ups will be graded on a relative distribution.

### **Group Case Write-Ups**

Each group case write-up will typically consist of a three page paper that applies the material learned in class and applies critical reasoning skills to a business situation. Quantitative as well as qualitative analysis is expected. The group case write-ups will be graded on a relative distribution.

### **Study Guide Exercises**

Each week study questions will be posted on CCLE for the weekly assigned reading. Students must individually complete the Study Guide Questions and upload their answers by the due date. Students can either upload a PDF of their typed notes OR very clean scan/images of their notes uploaded as a PDF. This assignment will be graded on completion and the assignment being uploading on time. This is an individual assignment and students should not work in groups or in shared documents on the study questions!

### **Group Business Pitch Idea Approval**

Each team must meet with Prof. Wilson during the designated week with at least three distinct business ideas. The team and Prof. Wilson will agree upon an idea for the final pre-feasibility business pitch group presentation. This assignment will be graded on completion once an idea is approved.

### **Team Presentation**

Early in the quarter, the class will be divided into approximately 5 person teams. Each team will work together during the quarter to prepare a concise, PowerPoint presentation for the class representing a mini-feasibility study for an approved business idea. Detailed instructions for the format and style of the presentation and paper will be given during the quarter. In general, the presentation will be graded for clarity, reasoning, and the intelligent use of supporting evidence. Most of the research will be conducted online, and students will be expected to properly cite all resources used in preparing the presentation. To receive credit for the team presentation, students must be present during the group presentation during the assigned class time as given by the instructor. Students not present during the group presentation will be automatically assigned a 0% for the group presentation. The presentations will be graded on a relative distribution.

*Note: It is anticipated that all team members will receive the same grade for the group assignments and final presentation. However, individual students may have their grade lowered due to lack of contribution to the effort as determined by the professor based on observation and peer-review team feedback.*

*Note: Any student that elects the “Pass/No Pass” grading option for the course will not be assigned to a team and will instead be required to write a twenty-page individual paper on a topic similar to the team assignments as directed by the professor.*

### **Academic Integrity**

All students, without exception, must familiarize themselves with the academic integrity policies of UCLA as detailed in the Student Conduct Code on the Office of the Dean of Students website:

[http://www.deanofstudents.ucla.edu/Portals/16/Documents/UCLACodeOfConduct\\_Rev030416.pdf](http://www.deanofstudents.ucla.edu/Portals/16/Documents/UCLACodeOfConduct_Rev030416.pdf)

In particular, we would like to emphasize the following excerpt from the “UCLA Student Conduct Code” PDF found on the Dean’s website which includes, but is not limited to, the following forbidden behavior:

#### *102.01a: Cheating*

*Cheating includes, but is not limited to, the use of unauthorized materials, information, or study aids in any academic exercise; the alteration of any answers on a graded document before submitting it for re-grading; or the failure to observe the expressed procedures or instructions of an academic exercise (e.g., examination instructions regarding alternate seating or conversation during an examination).*

#### *102.01b: Fabrication*

*Fabrication includes, but is not limited to, falsification or invention of any information or citation in an academic exercise, including Fabrication or Falsification of Research. Fabrication of Research is making up data or results and recording or reporting them. Falsification of Research is manipulating research materials, equipment or processes, or changing or omitting data or results such that the research is not accurately represented in the research record.*

#### *102.01c: Plagiarism*

*Plagiarism includes, but is not limited to, the use of another person’s work (including words, ideas, designs, or data) without giving appropriate attribution or citation. This includes, but is*



*not limited to, representing, with or without the intent to deceive, part or all of an entire work obtained by purchase or otherwise, as the Student's original work; the omission of or failure to acknowledge the true source of the work; or representing an altered but identifiable work of another person or the Student's own previous work as if it were the Student's original or new work. Unless otherwise specified by the faculty member, all submissions, whether in draft or final form, to meet course requirements (including a paper, project, exam, computer program, oral presentation, or other work) must either be the Student's own work, or must clearly acknowledge the source.*

**102.01d: Multiple Submissions**

*Multiple submissions includes, but is not limited to, the resubmission in identical or similar form by a student of any work which has been previously submitted for credit, whether at UCLA or any other school, college, or university in one course to fulfill the requirements of a second course, without the informed permission/consent of the instructor of the second course; or the submission for credit of work submitted for credit, in identical or similar form, in concurrent courses, without the permission/consent of the instructors of both courses.*

**102.01e: Facilitating Academic Dishonesty**

*Facilitating academic dishonesty includes, but is not limited to, knowingly helping another student commit an act of academic dishonesty.*

Regarding plagiarism, students must fully cite all materials (text, figures, etc.) utilized in creating deliverables for this course. All violations of the universities policies will be referred to the Dean of Students. Ignorance of the rules is no excuse! By way of enrolling and attending this class, you are explicitly attesting to your explicit knowledge and understanding of all of the policies included in the guide of Student Conduct Code cited above.

## **Guest Speakers**

*Note: The specifics of the class sessions are subject to change based on the availability of speakers.*

Session	Guest Speaker
TBD	TBD

## **Class Schedule**

*Note: The specifics of the class sessions are subject to change based on the availability of speakers.*

*Note: All assignments are DUE on the date listed!*

<b>Sessions 1: Introduction to Entrepreneurship; Entrepreneurial Paths; Opportunity Recognition</b>	
<b>Learning Objectives:</b>	Introduction of faculty & TAs; Course overview; Overview of entrepreneurship; What is entrepreneurship? What makes a successful entrepreneur? Can entrepreneurship be taught? What is case-based learning? Can you be an entrepreneur part-time? What does it mean to be a full-time entrepreneur? Can you become an entrepreneur even if you don't invent a brand-new product or service? Where do "good" ideas come from? What criteria should be used to judge ideas? What is a small business? What is a high-growth venture?
<b>Required Reading:</b>	<ul style="list-style-type: none"><li>• HBSP: <i>A Perspective on Entrepreneurship</i>, Howard H. Stevenson. (NOTE: <b>This article will tested on Exam #1</b>, but it is <u>not</u> required that you read the article before the first day of class!)</li></ul>
<b>Optional Online Resources:</b>	<ul style="list-style-type: none"><li>• Teaching Entrepreneurship<ul style="list-style-type: none"><li>◦ <a href="https://youtu.be/8NBnoVrLFPU">https://youtu.be/8NBnoVrLFPU</a></li></ul></li><li>• Entrepreneurs Do Three Things<ul style="list-style-type: none"><li>◦ <a href="https://youtu.be/M7VZlbeUrSU">https://youtu.be/M7VZlbeUrSU</a></li></ul></li><li>• ABC Nightline – IDEO Shopping Cart<ul style="list-style-type: none"><li>◦ <a href="https://youtu.be/M66ZU2PClCM">https://youtu.be/M66ZU2PClCM</a></li></ul></li><li>• Stanford University's Entrepreneurship Corner, Larry Page on Entrepreneurship<ul style="list-style-type: none"><li>◦ <a href="http://ecorner.stanford.edu/authorMaterialInfo.html?mid=1076">http://ecorner.stanford.edu/authorMaterialInfo.html?mid=1076</a></li></ul></li><li>• One View of Entrepreneurship<ul style="list-style-type: none"><li>◦ <a href="https://youtu.be/GBuDGJ6totE">https://youtu.be/GBuDGJ6totE</a></li></ul></li></ul>
<b>Assignment:</b>	None.



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## Session 2: Case Discussion

**Case Assignment Due:** Multimedia Case: *West Coast Chill*, William A. Sahlman; Robert F. White; Stephanie Puzio.

The timeframe of the case is fall 2010.

Individual single space, two to three page paper to answer the following questions on the West Coast Chill case:

1. How would you assess Mitchell's performance and his journey with respect to the self-chilling can opportunity?
2. What do you think about the self-chilling can opportunity? How did Mitchell quantify demand? What were the strengths/weaknesses of his approach to quantifying demand for the self-chilling can?
3. Discuss the decision to create and distribute the West Coast Chill energy drink. Was it a good idea?
4. The case discusses several potential financing options Mitchell may have. How would you try and raise money if you were Mitchell and why?

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## Session 3: The Business Model Canvas; The Value Proposition Canvas; The Environment Map

**Objectives:** What is a "business model canvas"? Discuss the nine sections of the business model canvas. What is the value proposition canvas? What are customer pains, gains, and jobs? What are pain relievers and gain creators? Who is a customer? What is the environment map?

**Required Reading:**

- VPD: Intro (pp. xiv-xvii), Chapter 1 (pp. 6-49)
- BMG: pp. 1-49

**Optional Online Resources:**

- Business Model Canvas Explained (Kauffman Foundation & Strategyzer)
  - <https://youtu.be/wwShFsSFb-Y>
- Business Model Canvas (Strategyzer)
  - <https://youtu.be/QoAOzMTLP5s>
- Value Proposition Canvas (Strategyzer)
  - <https://youtu.be/ReM1uqmVfP0>

**Study Guide Questions Due:**

- Business Model Generation Study Questions
- Value Proposition Canvas & Design Study Questions

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#### Session 4: Understanding Customers; Hypothesis-Driven Entrepreneurship

<b>Learning Objectives:</b>	How do you conduct interviews? What are customer discovery, customer validation, customer creation, and company building? What is hypothesis-driven entrepreneurship? What are the criteria for good hypotheses? What do we mean by build-measure-learn?
<b>Required Reading:</b>	<ul style="list-style-type: none"><li>• VPD: Chapter 1 (pp. 50-63)</li><li>• VPD: Section 2.3 (pp. 104-119)</li><li>• VPD: Chapter 3 (pp. 178-253)</li></ul>
<b>Optional Reading:</b>	<ul style="list-style-type: none"><li>• Talking to Humans: Success starts with understanding your customers (free e-book for academia) (pp. 30-65)</li><li>• HBSP: <i>Why the Lean Start-Up Changes Everything</i>, Steven G. Blank (free download from <a href="http://www.steveblank.com">http://www.steveblank.com</a>)</li><li>• Testing With Humans (free e-book for academia)</li></ul>
<b>Optional Online Resources:</b>	<ul style="list-style-type: none"><li>• How to Build a Startup (The Lean LaunchPad)<ul style="list-style-type: none"><li>◦ <a href="https://www.udacity.com/course/ep245">https://www.udacity.com/course/ep245</a></li></ul></li><li>• Steve Blank's blog<ul style="list-style-type: none"><li>◦ <a href="http://steveblank.com">http://steveblank.com</a></li></ul></li><li>• Eric Ries' website<ul style="list-style-type: none"><li>◦ <a href="http://theleanstartup.com">http://theleanstartup.com</a></li></ul></li></ul>
<b>In Class Exercise:</b>	Simulation: <i>The Food Truck Challenge</i>  Note: "The Food Truck Challenge" must be purchased at least the day before class. Only students who purchase the case can participate!
<b>Study Guide Questions Due:</b>	<ul style="list-style-type: none"><li>• A Perspective on Entrepreneurship Study Questions</li><li>• Understanding Customers and Lean Startup Study Questions</li></ul>

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### Session 5: Entrepreneurial Strategy

<b>Learning Objectives:</b>	The purpose of strategy is to create a competitive advantage that generates superior, sustainable financial returns over the long run. It is achieved by answering two fundamental questions: Where should we compete? How should we compete? Strategy is NOT tactics, execution, or a list of goals. A firm employs a series of tactics and executes following its strategy to achieve a set of strategic objectives. This session will introduce the fundamental concepts of entrepreneurial strategy and the popular frameworks of Blue Ocean Strategy and Porter's Forces of Industry Analysis.
<b>Required Reading:</b>	<ul style="list-style-type: none"><li>• HBSP: <i>Strategy Reading: Industry Analysis</i>, Ramon-Masanell.</li><li>• California Management Review: <i>Blue Ocean Strategy: From Theory to Practice</i>, W. Chan Kim &amp; Renee A. Mauborgne (NOTE: <b>These articles will be tested on the EXAM #2</b>, not on the exam today!)</li></ul>
<b>Optional Online Resources:</b>	<ul style="list-style-type: none"><li>• Interview with Michael Porter<ul style="list-style-type: none"><li>◦ <a href="https://youtu.be/mYF2_FBCvXw">https://youtu.be/mYF2_FBCvXw</a></li></ul></li><li>• Blue Ocean Strategy lecture by Mauborgne<ul style="list-style-type: none"><li>◦ <a href="https://youtu.be/zrGOBdVm-KE">https://youtu.be/zrGOBdVm-KE</a></li></ul></li><li>• Good Strategy / Bad Strategy lecture by Richard Rumelt<ul style="list-style-type: none"><li>◦ <a href="https://youtu.be/UZrTl16hZdk">https://youtu.be/UZrTl16hZdk</a></li></ul></li></ul>
<b>Study Guide Questions Due:</b>	<ul style="list-style-type: none"><li>• Introduction to Strategy Study Questions</li><li>• Blue Ocean Strategy Study Questions</li></ul>

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### Session 6: Tesla Case

**Case Assignment Due:**

Case: *Tesla, Inc.*, Frank T. Rothaermel, David R. King.

The timeframe of the case is January 2020.

Group two or three page paper to answer the following questions on the case:

1. Tesla is the most valuable car company in the world. Its stock is up almost 400% since January 1, 2020. Is Tesla properly valued compared to Toyota or GM? Note: you should not need to do detailed calculations or complex financial modeling to answer this question. You can likely answer this question with a combination of simple math and strategic arguments.
2. The case discusses EV (electric vehicles), ICE (internal combustion engine), and plugin hybrids (PHEV) models of cars. ICE's dominated the 20th century. For the sake of this question, assume that someday in the future 100% of cars sold will be EV's. If you were running GM or Toyota back in the mid-2010's, what strategy would you have pursued? Would it be different in 2020? Why or why not?
3. Given hindsight (i.e. you know "what happened"), discuss the strengths and weaknesses of "Tesla's Secret Strategy (Part 1) (2006)".
4. Assess "Tesla's Secret Strategy (Part 2) (2016)". Discuss the strengths, weaknesses, and risks of this strategy going forward.

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### Session 7: Exam #1

**Assignment:**

Prepare for Exam #1 for material covered from Sessions #1 - #6.

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### Session 8: LTV & CAC & TAM & Beachhead Market

**Learning Objectives:  
Assignment**

What is Life Time Value (LTV)? What is Customer Acquisition Cost (CAC)? That is Total Addressable Market? What is a beachhead market?  
TBD

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### Session 9: Entrepreneurial Accounting

<b>Learning Objectives:</b>	The objective of accounting is to provide information useful for users' decision making. This lecture will introduce the underlying concepts and assumptions of accounting and focus on financial accounting standards intended for "external" users. The three core financial statements (Balance Sheet, Income Statement, and Cash Flow Statement) will be considered as well as the difference between accrual accounting and cash-based accounting. Topics of particular interest to entrepreneurs such as pro-forma financial statements will be discussed.
<b>Required Reading:</b>	<ul style="list-style-type: none"><li>• HBSP: <i>Basic Accounting Concepts and Assumptions</i></li><li>• HBSP: <i>Overview of Financial Accounting</i></li></ul>
<b>Study Guide Questions Due:</b>	<ul style="list-style-type: none"><li>• Basic Accounting Concepts and Assumptions Study Questions</li><li>• Overview of Financial Accounting Study Questions</li></ul>

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### Session 10: In Class Accounting Exercise

<b>Assignment</b>	Details to follow.
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### Session 11: Raising Capital: Introduction & Crowdfunding

<b>Learning Objectives:</b>	Raising capital for an early stage venture depends on multiple factors including the size of the opportunity, the state of the venture, the business cycle, etc. This lecture will introduce investor types including friends & family, angel investors, and venture capitalists. Crowdfunding platforms and accelerators will also be discussed.
<b>Required Reading:</b>	<ul style="list-style-type: none"><li>• HBSP: <i>Entrepreneurial Reading: Financing Entrepreneurial Ventures</i>, William R. Kerr, Ramana Nanda, James McQuade (Sections 1-2.7, 2.9-2.10, 3.2)</li><li>• <i>Choose Wisely: Crowdfunding through the stages of the startup life cycle</i>, Business Horizons (2017) 60, 179-188, Jeannette Paschen</li></ul>
<b>Optional Online Resources:</b>	<ul style="list-style-type: none"><li>• Own Your Venture Equity Simulator<ul style="list-style-type: none"><li>◦ <a href="http://www.ownyourventure.com">http://www.ownyourventure.com</a></li></ul></li><li>• A List of Top LA Accelerators and Incubators<ul style="list-style-type: none"><li>◦ <a href="http://vator.tv/news/2013-05-17-a-list-of-top-la-accelerators-and-incubators">http://vator.tv/news/2013-05-17-a-list-of-top-la-accelerators-and-incubators</a></li></ul></li></ul>
<b>Study Guide Questions Due:</b>	<ul style="list-style-type: none"><li>• Financing Entrepreneurial Ventures Study Questions (First Reading)</li><li>• Crowdfunding Study Questions</li></ul>

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### Session 12: Crowdfunding Case

**Case Assignment Due:**

Case: *Crowdfunding: A Tale of Two Campaigns*, Andrew Zacharakis, et. al.

The timeframe of the case is 2013 & 2014.

Group two or three page paper to answer the following questions on the case:

- What could the twin sisters have done differently?
- Should Hanson have targeted more than \$10,000?
- In both cases, were the financial results worth the effort?
- What would you do differently if you were to run a crowdfunding campaign?

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### Session 13: Raising Capital: Venture Capital

**Learning Objectives:**

The first venture capital (VC) firm was launched in the United States in 1946 and the modern structure of VC funds has been in place since the 1960s. In this lecture, we will do a deeper dive into the mechanics of venture capital and how VCs evaluate potential investments.

**Required Reading:**

- HBSP: *Entrepreneurial Reading: Financing Entrepreneurial Ventures*, William R. Kerr, Ramana Nanda, James McQuade (Sections 2.8, 3 & 4)

**Optional Online Resources:**

- Example of Excellent Five Minute Pitch (DEMO 2011):
  - <https://youtu.be/6Ybbi6-eId0>
- SBA Small Business Plan Guidance
  - <https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>

**Study Guide Questions Due:**

- Financing Entrepreneurial Ventures Study Questions (Venture Capital)

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### Session 14: Jibo Case

**Case Assignment Due:**

Case: *Jibo*

The timeframe of the case is February 2015.

Group three page paper to answer the following questions on the “Jibo” case:

1. Discuss Jibo’s early seed funding strategy from 2009-2013. What were the influencers on the approach of Dr. Breazeal and Mr. Asher? What were the strengths and weaknesses of the founding team? Would you recommend any changes in the early stage funding approach at the time?
2. Why did Jibo launch a crowdfunding campaign? Why did they select Indiegogo instead of Kickstarter?
3. At the time of the case, Jibo has raised \$25.4M in Series A financing. How has the approach and strategy of the company been influenced by the funding? In other words, what are the strengths of weaknesses of raising the significant Series A capital, in contrast, for example, to Pebble Watch’s Kickstarter campaign?
4. The time frame of this case is very recent. The founders secured the first investment for Jibo by January 2013. If the team were raising their seed money today, would there be any differences in approach?



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### Session 15: Exam #2

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**Assignment:** Prepare for Exam #2 for material covered from Sessions #8 - #14.

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### Session 16: Business Plans & Elevator Pitches

<b>Objectives:</b>	What does a business plan look like? What are the main sections of a business plan? Is the Executive Summary really the most important part of a business plan? Who needs a business plan? How are they used? What is an elevator pitch? How do you construct a good pitch? What are stock options and who gets them?
<b>Required Reading:</b>	<ul style="list-style-type: none"><li>• HBSP: <i>Developing Business Plans and Pitching Opportunities</i>, Lynda M. Applegate &amp; Carole Carlson</li></ul>
<b>Optional Online Resources:</b>	<ul style="list-style-type: none"><li>• Example of Excellent Five Minute Pitch (DEMO 2011):<ul style="list-style-type: none"><li>◦ <a href="https://youtu.be/6Ybbi6-eId0">https://youtu.be/6Ybbi6-eId0</a></li></ul></li><li>• SBA Small Business Plan Guidance<ul style="list-style-type: none"><li>◦ <a href="https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan">https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan</a></li></ul></li></ul>
<b>Assignment:</b>	Prepare for Exam #2 for material covered from Sessions #6 - #9. No questions on Business Plans & Elevator Pitches on Exam #2! Note that Exam #2 is NOT comprehensive but the final exam will be!
<b>In Class Case Assignment:</b>	Discotech  The timeframe of the case is 2013.  To be done in class as a group and submitted by the end of class.
<b>Study Guide Questions Due:</b>	Developing Business Plans and Pitching Opportunities Study Questions

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## Session 17: Legal Topics for Entrepreneurs

**Objectives:** What is a patent? What is a trade-secret? What can I copyright? What is a trademark? A service mark? What is the structure of a venture capital firm? What is a term sheet? Do I need a corporation? What is a sole-proprietorship? What is a partnership? What is a corporation? An S-corp? What is a LLC? How does a team divide ownership?

**Required Reading**

- HBSP: *Legal Forms of Organization*, Michael J. Roberts
- HBSP: *The Protection of Intellectual Property in the United States*, Myra M. Hart & Howard Zaharoff

**Optional Online Resources:**

- Legal Issues for Entrepreneurs - Formation and Founders Issues
  - <http://www.fenwick.com/publications/pages/legal-issues-for-entrepreneurs-formation-and-founders-issues.aspx>
- Copyright Basics - Just Enough Copyright Law If You Are Not an Attorney or IP Expert
  - <http://www.fenwick.com/publications/Pages/Copyright-Basics-Just-Enough-Copyright-Law-If-You-Are-Not-an-Attorney-or-IP-Expert.aspx>
- Trade Secrets Protection: A Primer and Desk Reference for Managers and In House Counsel
  - <http://www.fenwick.com/publications/Pages/Trade-Secrets-Protection-A-Primer-and-Desk-Reference-for-Managers-and-In-House-Counsel.aspx>
- Patent Protection for High Technology Companies
  - <http://www.fenwick.com/publications/Pages/Patent-Protection-for-High-Technology-Companies.aspx>
- Trademarks for High Tech Companies
  - [http://www.fenwick.com/FenwickDocuments/TM\\_Selection\\_for\\_HighTech.pdf](http://www.fenwick.com/FenwickDocuments/TM_Selection_for_HighTech.pdf)

**Assignment:** Prepare for Exam #2 for material covered from Sessions #6 - #9. No questions on Legal Topics for Entrepreneurs on Exam #2! Note that Exam #2 is NOT comprehensive but the final exam will be!

**Study Guide Questions Due:**

- Legal Forms of Organization Study Questions
- The Protection of Intellectual Property in the United States Study Questions

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## Session 18: Thanksgiving – NO CLASS!

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### Session 19 & 20: Team Presentations & Course Wrap Up

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<b>Objectives:</b>	Each team will give a presentation with time for Q&A.
<b>Required Reading:</b>	None.
<b>Optional Online Resources:</b>	<ul style="list-style-type: none"><li>• Entrepreneur Magazine Resources on Presentations<ul style="list-style-type: none"><li>○ <a href="https://www.entrepreneur.com/topic/presentations">https://www.entrepreneur.com/topic/presentations</a></li><li>○ <a href="https://youtu.be/Mv2ZIPUR0fw">https://youtu.be/Mv2ZIPUR0fw</a></li></ul></li><li>• Create an Effective Presentation Video (General Tips)<ul style="list-style-type: none"><li>○ <a href="https://hbr.org/2011/03/create-an-effective-presentation.html?cm_sp=most_widget_-videos_-Create%20an%20Effective%20Presentation%22">https://hbr.org/2011/03/create-an-effective-presentation.html?cm_sp=most_widget_-videos_-Create%20an%20Effective%20Presentation%22</a></li></ul></li></ul>
<b>Assignment:</b>	<p>Prepare team PowerPoint presentation. Final version should be uploaded to TurnItIn before class starts. There will be a significant grade penalty for any presentation emailed after the beginning of class. Some key attributes for the presentations:</p> <ul style="list-style-type: none"><li>• 9-11 minute time limit, practice ahead of time</li><li>• 3-5 minute Q&amp;A</li><li>• Content might be king, but good presentation skills count!</li><li>• The whole group should have meaningful speaking roles</li><li>• EVERYONE should be ready to answer ANY question posed to the team</li><li>• Backup slides (i.e. Appendix slides) can contain additional detail beyond what you have time to cover during core presentation</li><li>• NO BMC REQUIRED!!</li></ul>

<b>Study Guide Questions Due:</b>	NONE.
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### Session 21: Final Exam

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<b>Objectives:</b>	Comprehensive Final Exam, 110 minutes, closed book, closed notes, closed computer.
	NOTE: All students must take the exam during the assigned time slot.
<b>Required Reading:</b>	All assigned reading from all sessions.
<b>Assignment:</b>	Prepare for final exam.

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## **Course Reader**

The course pack can be purchased from the Harvard Business Publishing website using the link in “Required Reading” section above.

#	Title	Author(s)	ID	Pages	Cost
	Perspective on Entrepreneurship	Howard H. Stevenson	384131-PDF-ENG	13	\$4.25
	West Coast Chill	William A. Sahlman; Robert F. White; Stephanie Puzio	815704-HTM-ENG	N/A	\$8.00
	Introduction to Strategy	Ramon Casadesus-Masanell	8097-PDF-ENG	41	\$7.95
	Blue Ocean Strategy: From Theory to Practice	W. Chan Kim; Renee A. Mauborgne	CMR312-PDF-ENG	18	\$4.25
	Telsa, Inc.	Frank T. Rothaermel	MH0067-PDF-ENG	31	\$4.25
	Basic Accounting Concepts and Assumptions	David F. Hawkins	5060-PDF-ENG	25	\$7.95
	Overview of Financial Accounting	David T Doran	BEP166-PDF-ENG	25	\$4.25
	Financing Entrepreneurial Ventures	William R. Kerr; Ramana Nanda; James McQuade	8072-HTM-ENG	46	\$7.95
	Crowdfunding: A Tale of Two Campaigns	Andrew Zacharakis; Gabriel Quintana; Tommy Ripke	BAB282-PDF-ENG	12	\$4.25
	Jibo: A Social Robot for the Home	Jeffrey J. Bussgang; Christine Snively	816003-PDF-ENG	17	\$4.25
	Legal Forms of Organization	Michael J. Roberts	898245-PDF-ENG	10	\$4.25
	Protection of Intellectual Property in the United States	Myra M. Hart; Howard Zaharoff	897046-PDF-ENG	17	\$4.25
	Developing Business Plans and Pitching Opportunities	Lynda M. Applegate; Carole Carlson	8062-HTM-ENG	45	\$7.95
<b>TOTAL</b>				<b>287</b>	<b>\$73.80</b>

## **Simulation Course Reader**

The simulation course pack can be purchased from the Harvard Business Publishing website using the link in "Required Reading" section above.

#	Title	Author(s)	ID	Cost
3	New Venture Exercise: The Food Truck Challenge	Michael A. Roberto	7201-HTM-ENG	\$10.00
<b>TOTAL</b>				<b>\$10.00</b>

## **Recommended Supplemental Materials**

Many excellent resources on entrepreneurship exist including the following:

### **Books**

- Giff Constable and Frank Rimalovski (2018). *Testing with Humans: How to use experiments to drive faster, more informed decision making*. ISBN-10: 0990800938, ISBN-13: 978-0990800934.
  - Free PDF e-book: <http://bit.ly/2Dc7YSB>
- Giff Constable, Frank Rimalovski, Tom Fishburne (2014). *Talking to Humans: Success starts with understanding your customers*. ISBN-10: 099080092X, ISBN-13: 978-0990800927.
  - Free PDF e-book: <http://bit.ly/2zeh4db>
- Peter Thiel (2014). *Zero to one: notes on startups, or how to build the future*. New York, Random House.
- Brian S. Cohen and John Kador (2013). *What Every Angel Investor Wants You To Know: an insider reveals how to get smart funding for your billion-dollar idea*. NY: McGraw-Hill.
- Brad Feld and Jason Mendelson (2013). *Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist*. 2<sup>nd</sup> edition. Hoboken, New Jersey: John Wiley & Sons.
- Steve Blank and Bob Dorf (2012). *The Startup Owner's Manual: The Step-By-Step Guide for Building a Great Company, First Edition*. ISBN-10: 0984999302, ISBN-13: 978-0984999309.
- Ash Maurya (2012). *Running Lean: Iterate from Plan A to a Plan That Works, 2<sup>nd</sup> Edition*. O'Reilly Media, Inc., Sebastopol, CA.
- Eric Ries (2011). *The Lean Startup*. NY: Crown Business.
- "The Ernst & Young Business Plan Guide" (2007), Brian R. Ford, Jay M. Bornstein, Patrick T. Pruitt, Third Edition, 2007, ISBN-10: 0470112697, ISBN-13: 978-0470112694, Edition: 3.
- John W. Mullins (2006). *The New Business Road Test*. 3rd Edition. London: Pearson Education Limited.
- W. Chan Kim & Renee Mauborgne (2005). *Blue Ocean Strategy*. Harvard Business Press.
- Guy Kawasaki (2004). *The Art of the Start*. NY: Penguin Group.
- Geoffrey Moore (2003). *Crossing the Chasm* revised edition. NY: HarperCollins.
- James Swanson, Michael Bair (2003). *Engineering Your Startup*. 2<sup>nd</sup> edition. Belmont: Professional Publications.
- Clayton Christiansen (1997). *The Innovators Dilemma*. HBS Press.

## **Private Peer Evaluation Form**

Each student is required to submit a confidential peer evaluation form before the last day of class. Sample form is given below:

### **Private Peer Evaluation Form**

YOUR NAME: \_\_\_\_\_

TEAM NUMBER: \_\_\_\_\_

TOPIC: \_\_\_\_\_

**Please complete and submit an electronic copy to CCLE before the final exam. Failure to submit this form may result in a 5% penalty to your final participation grade.**

Please provide scores using the following scale from 1-5 for each team member (including yourself):

5: Outstanding, 4: Good, 3: Acceptable, 2: Unacceptable, 1: Terrible

NOTE: Overall should also be on a scale from 1-5.

Team Member	Team Presentation	Deliverable Contribution	Teamwork	Overall
ME				

Optional Comments (please justify any low scores):