

Planning and Operating New Ventures



Course Number: MET AD740 C1
Spring 2009

Mondays: 6:00 - 9:00 PM (some alternate days – see university schedule)

The First Class will take place on 26th January 2009

Charles River Campus — Sch. of Hospitality Administration, room 202
928 Commonwealth Ave., Boston

Instructor:

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Office Hours: To be scheduled for mutual convenience

When Emailing - **ALWAYS PUT THE COURSE NUMBER “AD740”** (and any other relevant information) in “Subject” line of email.

Direct link to CourseInfo web site for this course is:

http://courseinfo.bu.edu/courses/09sprgmetad740_a1/

COURSE DESCRIPTION:

Understand the essentials of Planning and Operating a New Venture. Dimensions to be considered include, but not limited to: business planning and development of business plans, concept development, budget forecasting & financial operations, intellectual property, technology assessments and needs, human resource management, legal, and organizational issues, the role of boards and external advisors culminating in the developing, and preparation of business plans as a group project.

COURSE FORMAT:

- Student reading of assigned books, cases, and articles, and directed classroom discussion of these, especially the case studies;

- Viewing and discussion of relevant videos when available dealing with the cases or related matters.
- The writing of “case analysis and recommendation” papers;
- The semester long development of a written report (the “final paper”), and oral presentation of original business plans by teams of 3-5 students. This also includes the oral presentation by each team of an executive summary “pitch” midway through the course.

The course format depends on interactive learning and on involvement in team as well as individual activities. It is therefore essential to prepare for all classes, attend all classes, participate in class discussion and in group meetings both during and outside of class, and complete assignments in a timely manner.

COURSE OBJECTIVES AND OVERVIEW

- To learn concepts and approaches for addressing the unique challenges of starting a new business, including the innovative business models such as web 2.0 that are driving the global economy;
- To look for business ideas and evaluate them critically;
- To apply the concepts of the course to actual business situations, and to choosing a business idea and developing an effective plan;
- To study businesses that have both succeeded and failed, and come to understand what happened and why.

This course presents the principal tasks and challenges involved in the identification and development of new business ventures ("entrepreneurship") and develops students' abilities to make informed decisions in these areas. There is a particular focus on ventures developed to address emerging needs and opportunities or to exploit innovations in either technology (e.g. computers or biotechnology) or business processes (e.g. new capabilities such as the modern telecommunications and shipping have created opportunities for improved services in such areas as health care delivery, entertainment and consumer retailing – e.g. think e-commerce and internet sites like Amazon, Google, or match.com, or overnight document production and delivery). Such innovation based companies have been shown to create the majority of new economic growth and jobs.

We will also address the relation between financial and business strategies, especially the arguments for and against the incremental financial "bootstrapping" of company growth versus less conservative well capitalized rapid rollouts (so called "building companies in real time" to stake out their market territory even before building products). We will look at how these strategic choices vary according to such factors as stage of market adoption and technology development, and the dramatic differences from year to year in the availability of investment capital for early stage companies.

The course is intended to be relevant to: students considering entrepreneurship as a career option at some point in their lives, either by starting or joining a new company in any of a number of business roles, or alternatively by creating new units in existing corporations ("intrapreneurship") and/or in non-profit and public organizations as a way of facilitating innovative activities. Students are not presumed to have a technical, or financial background, but rather an interest in using innovation and venture creation to create value, and the desire to learn from the materials assigned.

KEY TOPICS:

Traditional areas of the entrepreneurship process, including: marketing and opportunity analysis; business planning; the roles of "angel" and institutional/ venture capital finance, investment bankers, and public markets; developing credibility and attractiveness to investors; finding and motivating team members; lining up outside professional resources; sales channels and distribution; and "exit" or harvesting strategies to achieve wealth for the founders, employees, and investors via public offerings or acquisition by another company..

COURSE WEB SITE AND EMAIL ACCOUNTS: The general 'Course Info' web site link at Boston University is at <http://courseinfo.bu.edu>. The direct link for this particular course is indicated above.

All students should be sure to obtain a free Boston University computer account and email address as these are necessary both for essential electronics communications with students and to use the web sites for this and other courses at Boston University. Students are expected to check the 'Course Info' site for announcements and assignment changes, and to read their email which will be addressed to their bu.edu email address. Note that you can arrange for your bu.edu email to be forwarded to a different preferred email address (e.g. your work or personal email address such as a yahoo or Gmail account (and you can do this via the university web site).

I will post revisions to this syllabus, schedule changes, new readings and assignments, and so forth, as the term goes along, on the 'Course Info' web site where you can download them. The 'Course Info' site for our course also will contain numerous resources such as guides to writing case analysis papers, further instructions on assignments such as the final project, and questions to guide you in reading the various assigned case studies. Note that all 'Course Info' materials for this course will be found in the "Documents" section of this site, and in sub-folders within the Documents section.

REQUIRED MATERIALS:

Entrepreneur's Toolkit: Tools and Techniques to Launch and Grow Your New Business; Harvard Business School Publishing Corporation; ISBN 1-59139-436-8.

This up to date *low cost* paperback has easy to read chapters covering the main areas of entrepreneurship like opportunity analysis, angel financing, business plans, and so forth that are addressed in detail in the cases and class discussion.

Course Pack of numerous readings and case studies: will be available as “digital + print” packages for students to directly purchase online from XanEdu Publishing (www.xanedu.com) with their credit card information. Students will be informed when the CoursePack is available – however because of copyright clearance issues the CoursePack is sometimes not available for purchase until two weeks into the term.

Other materials on ‘Course Info’ site or to be distributed (“TBD”) in advance of assignment.

You should bring your Course Pack and textbook to all your classes as materials from them will frequently be referenced in class.

Other materials: To be posted on ‘Course Info’ and/or distributed free of charge in class.

GRADING CRITERIA AND WEIGHTING:

Please note that Boston University strongly discourages “grade inflation” and enforces this policy through the standards and direction it gives to its faculty. Boston University Metropolitan College Academic Policies official faculty website states: “Grade of A or A minus should be limited only to those students who truly distinguish themselves in the course... A and A- grades in totality should not average more than 15 - 20% of the grades given.” Overall grades for this graduate course generally average between B and B+.

The approximate grading criteria below may be adjusted and re-weighted during the term as deemed appropriate by the instructor. For example, “pop quizzes” (surprise exams), “Mid-terms, and final examinations are NOT currently planned in this particular course, but if it appears to the instructor that a significant number of students are not adequately doing the reading and case preparation that are part of the essential learning process, such examinations may be instituted, grading weight assigned to them, and the other grading criteria correspondingly adjusted.

1. **Short Papers.** *(one third of grade based on appraisal)* Up to 3 short papers (minimum of 700 words, with a maximum of 1000 words allowed). The specific written paper assignments [most likely analyses and recommendations for two or three of the cases you are assigned to read and prepare for discussion] will be announced in class and/or via the ‘Course Info’ system. Analyzing business situations and making and communicating cogent recommendations are extremely important skills to develop. Follow the instructions and the questions that I give you.

2. **In Classroom Performance.** *(one third of grade based on appraisal).* Includes consistent on- time attendance, level of preparation as demonstrated during class discussions, quantity and quality of understanding demonstrated of the material being discussed, contribution to the learning of others, and contribution to any short PowerPoint

presentations your team (see below) is assigned during the term. Active class participation is essential in discussions of cases and readings. For case discussions in particular, students should be prepared to present their analysis and recommendations in a concise, persuasive fashion and to justify all conclusions with specific facts and evidence. If you do not speak up in class, or if you do not respond with knowledge of the assigned material when asked a question, your grade will suffer.

3. **Business Plan Project.** *(one third of grade based on appraisal).* Includes combined performance (assessment both of your team's performance and your individual contribution) on a semester long Business Plan Project covering the development of an original business plan based on the concept of the one of the members of a team and prepared by the entire team. The research will culminate with the submission by the beginning of the last day of class of a 20 page maximum including (15 pages minimum) written report ("the final paper"), and a well organized 10- 15 minute oral presentation (scheduled during the last two sessions of the course) by the entire team to the rest of the class, which will include at least five slides, but no more than 10. Each team will also be responsible for presenting an Executive Summary Pitch to the rest of the class midway through the course. Teams must be no smaller than three persons, and no larger than five persons. Each member of the team must visibly contribute to both the written paper and to the oral presentation.

SOME CLASS CONTRIBUTION RULES:

It is your responsibility to listen rather than "cross-talk" (having side conversations), while I or others are speaking, as well as to take an active role in the classroom discussion and contribute to the learning environment. It is expected that you will:

- 1. Be on time for the start of class and in returning to the classroom after the 10 minute mid-class breaks.***
- 2. Attend all classes, with only one absence allowed.***
- 3. Actively volunteer in case discussions and interact with speakers and other students.***
- 4. Always bring and display your tent card on desk in front of you so that your classmates, I, and any guest speakers can recognize you by name.***

ACADEMIC STANDARDS, CONDUCT, AND INTELLECTUAL HONESTY:

This course will follow the Code of Academic Conduct of Boston University: Academic conduct promoting the desired educational environment of the College involves

behavior which refrains from cheating on exams, plagiarism, misrepresentation or falsification of data, theft or destruction of examinations or papers, or alteration, forgery, or knowing misuse of academic records or documents or other similar behavior.^α **“The internet has made plagiarism even easier, and be aware that text from the Internet is a bona fide form of plagiarism that could result in dismissal from Boston University.”^β** This applies in any course at Boston University.

Your work must be original and in your own words, not copied from some outside source, either printed or on the internet. If you copy an entire sentence, you must put it in quotes and show plainly what you have copied and where you have copied it from. Furthermore you should not copy multiple sentences (more than two sentences) from any source, or it will be considered plagiarism, even if you provide quotes and/or references.

The university’s policy on plagiarism and other forms of cheating are published in its Academic Conduct Code. Students are required to read the code and comply with it. Any suspected violation of the Code will be referred to the Academic Conduct Review Board. You can read and/or download a copy of the Boston University Metropolitan College Academic Conduct Code at the following web site:

www.bu.edu/met/metropolitan_college_people/student/resources/conduct/code.html

COMMUNICATIONS SKILLS REQUIRED OF MET COLLEGE STUDENTS:

"Metropolitan College students, in achieving mastery of subject matter and professional terminology must be proficient in written and spoken English in order to achieve success in their academic studies and professional careers. Please be advised that papers and oral presentations that do not meet the high normative standards of university education will be downgraded or returned for revision. Help is available at every stage of the writing process and with oral communications and presentations. Please ask your instructor, academic advisor or check the MET website" (from the "Statement on Communications Skills" dated June 18, 2003) http://www.bu.edu/met/metropolitan_college_people/student/index.html which includes links to important Student Resources such as The Education Resource Center and other Communication Resources.

Also if you are having problems with how to do case studies and other papers such as your final project report, please check the guidelines for these that I have posted on our CourseInfo web site, and also feel free to arrange an appointment to discuss your concerns and questions.

Note also that MET College requires the American Psychological Association (APA) standards for writing assignments. You can find information about the APA at <http://www.apastyle.org/fifthchanges.html>

^α From "Code of Academic Conduct" in the *Met Faculty Toolbox*.

^β *ditto*.

BOSTON UNIVERSITY DEPARTMENT OF ADMINISTRATIVE SCIENCES

GUIDELINE FOR ALL PAPERS SUBMITTED TO DEPARTMENT COURSES

1. ORIGINAL ARTICLES ONLY

Submission of a paper to the department represents a certification on the part of the author(s) that the paper is an original work. Ideas of others either indirect or quoted must be referenced.

2. MANUSCRIPT STYLE

References, citations and general style of manuscripts for this Journal must follow the APA style (Please refer to the latest edition of the *Publication Manual* of the American Psychological Association for style questions. References should be double-spaced and placed in alphabetical order. Text and references should be single-spaced. Each reference in the paper must be fully referenced at the end under references and all items listed under the reference section must have been cited in the body of the paper.

Examples of References to Periodicals:

Journal article: One author

Levitt, T. (1983). The globalization of markets *Harvard Business Review*, 61(3), 92-102.

Journal article: Multiple authors

Kaynak, E. & Kothan, V. (1984) Export behavior of small and medium-sized manufacturers: Some policy guidelines for international marketers. *Management International Review*, 24(2) June, 61-69

Magazine article

Tinnin, D. B. (1981, November 16). The heady success of Holland's Heineken. *Fortune*, pp. 158-164

Newspaper article

The opportunity for world brands. (1984, June 3) *The New York Times*, p 6E

Monograph

Franco, L G (1979). *A survey of the impact of manufactured exports from industrializing countries in Asia and Latin America* (Monograph). *Changing International Realities*, 6.

Examples of References to Books:

Reference to an entire book

Kaynak, E (1986) *Marketing and economic development* New York: Praeger Publishers Inc.

Book with a corporate author

Committee for Economic Development (1981) "*Transnational corporations and developing Countries*" New York. Author.

Edited book

Kaynak, E (Ed). (1986). *International Business in the Middle East*, Berlin, New York: Walter de Gruyter.

Book with no author or editor

"Marketing opportunities in Japan" (1978) London Dentsu Incorporated

Article or chapter in an edited book

Bucklin, L. P (1 986) "Improving food retailing in less developed countries" In E Kaynak (Ed), *World Food Marketing Systems* (pp. 73-81) London. Butterworth Scientific Publishers

Proceedings of Meetings and Symposia

Published proceedings, published contributions to a symposium

Lee K H. (1981) "From production orientation to marketing orientation - Hong Kong in the international trade setting" In D. B, Yeaman(Ed.), *Developing global strategies* (pp. 753-766) Conference held at the University of Navarra, Barcelona, Spain, 2 (December 17-19)

Unpublished paper presented at a meeting

Kaynak, E (1988). *Strategic and organizational Issues in tourist services* Paper presented at Second International Tourism Advertising Conference, Portoroz, Yugoslavia.

Doctoral Dissertations/Masters Theses

Unpublished doctoral dissertation Czinkota, M F. (1980) "An analysis of export development strategies in selected U S. industries" *Dissertation Abstracts International*. (University Microfilms No. 80-15, 865)

3. MANUSCRIPT PREPARATION

Margins: leave at least a one-inch margin on all four sides

Paper: use clean white, 8-1/2" x 11" bond paper.

Cover page: This should provide full authorship, along with authors' academic degrees, professional titles, affiliations and addresses (mail, fax, and e-mail)

Title page: This should provide only the title of the manuscript, and abstract of about 100 words, and 3-10 words for index purposes.

4. SPELLING, GRAMMAR, AND PUNCTUATION

You are responsible for preparing manuscript copy which is clearly written in acceptable scholarly language (English with no errors of spelling, grammar, or punctuation). Verify the accuracy of arithmetic calculations, statistics, numerical data, text citations, and references as well as avoiding the following common errors:

- dangling modifiers
- misplaced modifiers
- unclear antecedents
- incorrect or inconsistent abbreviations

5. INCONSISTENCIES MUST BE AVOIDED

Be sure you are *consistent* in your use of abbreviations, terminology, and in citing references. Only use abbreviations after the abbreviation has been explained. For example, define the acronym "The North American Free Trade Agreement (NAFTA)" in the appropriate part of the document, and .later in the text, it is acceptable to use "It was found that NAFTA was..."

LECTURE SCHEDULE:

Date	Class #	Area/ Topics	Assignment: Text Book, Article, CASE Preparation
Jan 26 2009	1	Welcome, Introduction, Review Of Syllabus, Q & A PART I OF COURSE: CLASSICAL ENTREPRENEURSHIP . Process Model Of Entrepreneurship: Opportunity Recognition > Concept Development And Implementation > Acquiring People, Financial, And Needed Intellectual Resources > Managing > Harvesting. Entrepreneurial Self Awareness	<ul style="list-style-type: none"> • Review Syllabus • Student Introductions • 'Entrepreneur's Toolkit' Introduction (p. xi – xix) • Chapter 1 (Self-Diagnosis) • Choose Team (3-5 members per team)
Feb 2 2009	2	Where Do Opportunities Come From? Opportunity Analysis Vs. Implementation. Business Plans – Team Meetings.	<ul style="list-style-type: none"> • FIRST PLACE Case Study • STEVE BELKIN Case Study • A Perspective on Entrepreneurship. Stevenson HBS No. 9-384-131 • 'Entrepreneur's Toolkit' Chapter 4 (Building a Business Model & Strategy) • Chapter 5 (Writing a Business Plan)
Feb 9 2009	3	Making Opportunities Real. Cash Flow Analysis, "Bootstrapping" And Active Management. Resource Acquisition And Investors.	<ul style="list-style-type: none"> • R&R Case Study • "First Try" Business Plan Pitches in class by Teams – What are you going to do? What is your company name?
Feb17 2009 (Tues)	4	Feasibility Analysis, Market Research, Industry And Competitor Analysis. (note this may cover more than one week).	<ul style="list-style-type: none"> • EXTEND FERTILITY Case Study <u>Short Written Individual Assignment Due (analysis and recommendations concerning this case).</u> • Reading: 'Entrepreneur's Toolkit' Chapter 3 (Organizing the Enterprise)
Feb23 2009	5	Finance & Investors Beyond Bootstrapping: Sources Of Formal / Informal Funding. The Role Of The Business Plan	<ul style="list-style-type: none"> • STRATUS Case Study • JUNIPER NETWORKS Case Study • 'Entrepreneur's Toolkit' Chapter 6 (Financing the Business) ,Chapter 7 (Angels and Venture Capitalists) • "Start-Up Funding: An Entrepreneur's View" ref: 396-039-5 • <u>Short Written Individual Assignment:</u> Find a start-up you admire, tell me why you admire it, how they secured funding and what you see for their future.

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Apr 23 2009 (Thur)	12	BUSINESS PLAN PRESENTATIONS	<ul style="list-style-type: none">• Final: Business Plan Pitches. (First Night).• All written business plans are due this day.
Apr 27 2009	13	BUSINESS PLAN PRESENTATIONS	<ul style="list-style-type: none">• Final: Business Plan Pitches (Second Night).
END OF COURSE			