**Entrepreneurship**

**January 2010**

**SYLLABUS**

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*\*Feel free to call me at home Monday - Thursday 8:00 AM - 10:00 PM; Friday 8:00 AM - 5:00 PM; and Sunday 10:00 AM - 6:00 PM.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Class #** | **414: Description** | **Readings/Assignment**  **(optional readings)** | **Deliverables** | **Grade**  **%** |
| Jan  21 | #1 | Course Overview  Case: PC Build | * Read Course Syllabus * Load CD : Launching a High-Risk Business |  |  |
| Jan  28 | #2 | Marketing Strategy & People  Case: Start-up.com | * Read Blockbusters Ch. 3 & 8 * Review Lecture 2a * Load Launching High Risk CD ROM |  |  |
| Feb  4 | #3 | IPO Presentations |  | IPO Presentation (2 min.): 1) Valuation (Top 20%=A  No IPO= C); 2) 5 Keys to Success | 15% |
| Feb  11 | #4 | Opportunity Identification and Marketing Strategy  *Case:* **True Dimensions**  **Meet with CoPC Class** | * (Read *Blockbusters:* Ch. s 1, 4 & 5) * Read *Case:* True Dimensions |  |  |
| Feb  18 | #5 | People & Operations  *Case:* **Private Concepts** | * Read *Case:* Private Concepts * (Read NVC: Ch. 9 & 10) |  |  |
| Feb  25 | #6 | Company Website  **Meet with CoPC Class** |  | Email me VoPP 5 min: 1 Example of a Great Website & 1 Example of a Poor Website and Why (4 slides) | 10% |
| Mar  4 | #7 | Company Concept Review  Intellectual Property & Project Management  Case: **KidSmart** | Read Case: KidSmart | Draft Competitive Assessment; Quantify Market; Name 5 Customers & Describe Them |  |
| Mar  11 | #8 | Student Presentations |  | Present Your Company Concept; Competitive Assessment; Quantify Market; Name 5 Customers & Describe Them (10 min) | 15% |
| Mar  18 |  | Break |  |  |  |
| Mar  25 | #9 | Catch Up |  |  |  |
| Apr  1 | #10 | Financials  *Case*: **AutoShop** | * Read Case: AutoShop * (Read NVC: Ch. 11 & 13) |  |  |
| Apr  8 | #11 | **Meet with CoPC Class** (Product Demo) |  |  |  |
| Apr  15 | #12 | **Meet with CoPC Class** |  | Present Executive Summary: Co Advisors; Revenue/Profit Projections, Capital Requirements (2 min) | 10% |
| Apr  22 | #13 | Financing  *Case:* Oasis Medical | * Read Case: Oasis Medical * (Read NVC: Ch. 14-16) |  |  |
| Apr  29 | #14 | Student Meetings |  |  |  |
| May  6 | #15 | Final Business Plans and Presentations |  | **Business Plans**  **Final Presentations**  Team Participation | 20%  20%  10% |

**OVERVIEW & COURSE OBJECTIVES**

Other than having and raising children of your own, there are very few activities that are as challenging and exhilarating as starting and running your own company. In many respects, starting your own company is similar to having and raising kids. It takes as much (and frequently more) of your time, effort and money. However, if done correctly, being an entrepreneur can bring rewards far exceeding your investment. The purpose of this course is to give you the tools and techniques to help you plan, start and run your own company.

**THE GOOD NEWS**

Done correctly, starting and running a company can not only make you rich[[1]](#footnote-1), provide you with a stimulating and challenging career, but also by starting and running a successful company, you can create new jobs and bring value to society.

**THE BAD NEWS**

Yes starting a company can make you a millionaire or even a billionaire, but being an entrepreneur is not easy. Eight out of ten entrepreneurs fail within five years.[[2]](#footnote-2) Like the adage says: “To be a successful entrepreneur, you only have to work half-days . . . and it does not matter which 12 hours you pick.”

Similarly, learning effective entrepreneurship is also not trivial. You need to master a wide range of topics including marketing, accounting, finance, manufacturing (for a product-based business vs. retail) and legal issues. Mastering this volume of information during one semester will require a great deal of work on your part -- as well as on mine. What I am trying to stress is that unless you are committed to putting 100% into this course, you might want to re-think taking it. Also, your team members are counting on you to perform because you will be writing a business plan (as a team) for your own venture; these plans can take 200 hours + to complete, so if you do not think you have the time to invest, I recommend you hold off taking this course until your schedule permits.

**MORE GOOD NEWS**

If you do successfully complete the course, you will be rewarded. You will know how to formulate a successful business strategy and write an effective business plan that you can use to raise money, plot your strategy and launch your business. Also, for the best business plan written in this course, I will submit it to a venture capital company for review and possible funding -- venture capital firms can finance deals up to approximately $25,000,000. Furthermore, since raising money is so critical for an entrepreneurial venture, if, during this semester, you are able to secure funding of at least $10,000 from non-family or non-personal sources and can produce a letter or email to confirm this, you automatically earn an “A” for the entire course.

**COURSE GRADING:**

There will be several components to your grade; each component should assist you in formulating a successful business strategy and writing an effective business plan (listed in chronological order):

|  |  |  |
| --- | --- | --- |
|  | Individual  or  Team | Grading Weight |
| IPO Presentation: 1) Valuation (Top 20%=A; Bottom 20% = C); 2) 5 Keys to Success | I | 15% |
| Email me Voice Over PowerPoint Presentation ( 5 min): 1 Example of a Great Website & 1 Example of a Poor Website and Why (4 slides) | I | 10% |
| Present Your Company Concept; Competitive Assessment; Quantify Market; Name 5 Customers & Describe Them (10 min) | T | 15% |
| Presentation Executive Summary: Advisors; Revenue/Profit Projections, Capital Requirements | T | 10% |
| **Business Plans**  **Final Presentations**  Team Participation | T  T  I/T | 20%  20%  10% |

Key:

(1) = Individual Effort

(2) = Team Effort

**DELIVERABLES**

**Interactive CD ROM Simulation: Launching a High-Risk Business (15%)**

To help you understand the critical factors for starting and running your own company, you should purchase from the bookstore (in person, phone or online) and go through this CD. It will give you a good foundation in entrepreneurship. It incorporates a simulation, interactive video, etc. The goal of this simulation is to see if you can get this company to an IPO (initial public offering) and make millions. It is an excellent exercise.

You will present your insights from completing this simulation. The grading will be as follows:

* 50% for the IPO value – the top 20% = “A”; the bottom 20% = “C”; the remainder = “B”
* 50% for your presentation on the 5 lessons for making a successful business

**Business Plan**

Over the course of the semester, you will have an opportunity to formulate and prepare a credible business plan. This business plan requires a great deal of work. During the class, we will break the business plan into manageable components. These components are as follows:

* (15%) Presentation of your company concept along with a competitive assessment. Here you will identify the “ideal customer” – the customer whose “hair is on fire”; name at least five customers by name; describe your ideal customers (demographic and psychographic characteristics), and calculate the size of your market This deliverable is a 10 min. presentation/
* (10%) Present your Executive Summary including three advisors (1=customer; 1=distributor; 1=engineering/technology); revenue and profit projections for Years 1-5 as well as explaining how much capital your business will need.

Your final business plan is worth 40% broken down into the following:

* 20% Presentation
* 20% Written Business Plan

The business plan will be a culmination of everything you have learned during the semester. Your Plan should contain the following sections and answer the following questions:

1. The Opportunity
   * Whose hair is on fire?
   * Why(discuss the competition – this is **important**)?
   * How many others’ hair are on fire?
2. Marketing Strategy

* What is your marketing strategy (4P’s) to help you win in the market?

1. People

* Why does your team have the requisite skills and experience to win?

1. Operations

* How will you organize to capitalize on your opportunity?
* How will you produce your product or service?

1. Intellectual Property

* Do you have anything “protectable”?

1. Project Planning

* Who should do what and when?

1. Financials

* How financially healthy is the business; will it be?

1. Financing

* How much money do you need?
* Where will you get the money?
* How much should that money cost?

1. Risk

* What can go wrong and what will you do if it does?

1. Exit

* How will you exit from the opportunity?
* How will you make money?
* How do others make money?

Your final business-plan grade will be based on how thoroughly you address the above topics.

**Team Participation (10%)**

It is frustrating and de-motivating to work on a team where a minority of the team members completes a majority of the work. Therefore, in an attempt to be held accountable, at the end of the term you will be asked to assess the performance of your fellow team members. Your assessment should be based on their effort and contribution during your team activities and on your business-plan deliverables. Your Team Participation grade will be an average of how your fellow team members assess your contribution on your team’s Business Plan. How your team members assess your contribution is worth 10% of your overall course grade.

**Course Materials**

**CD ROM Simulation**: Launching a High-Risk Business -- The Professor will loan each student one CD Simulation

**Thumb Drive**

* Class PowerPoint Slides
* Cases (True Dimensions, Private Concepts, KidSmart, AutoShop, Oasis Medical)

**Strongly Recommended Readings**

1. Text: New Venture Creation by Jeffry A. Timmons, 6th 7th or 8th edition, Irwin McGraw-Hill {**Note**: The 8th edition is expensive, but you can get the 6th or 7th edition on Amazon for around $30. The earlier editions are
2. Text: Blockbusters by Gary S. Lynn and Richard R. Reilly, Harper Collins (2002, 2003 or 2007).

#### Recommended Readings

1. The Art of the Start by Guy Kawasaki, Harvard Business School Press (2004).
2. The Successful Business Plan: Secrets and Strategies by [Rhonda Abrams](http://www.amazon.com/exec/obidos/search-handle-url/index=books&field-author=Abrams%2C%252520Rhonda/103-7807502-4687034), [Eugene Kleiner](http://www.amazon.com/exec/obidos/search-handle-url/index=books&field-author=Kleiner%2C%252520Eugene/103-7807502-4687034), The Planning Shop; 4th edition (2003).
3. Patent It Yourself by [David Pressman](http://www.amazon.com/exec/obidos/search-handle-url/index=books&field-author=Pressman%2C%252520David/103-7807502-4687034), Nolo.com (2008).

**HOW YOU WILL BE GRADED**

On the following forms, I have tried to outline exactly how I plan assess your performance. If you would like to earn a high grade in this course, you might want to review the following evaluation forms. My goal is that there should be no surprises in this course as it pertains to your grade.

**Launching a High-Risk Business**

Team: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Team Members: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| COMPONENT | | Grade Weight | Out-Standing 100% | Good  90% | Fair  80% | Poor  70% | **Comments** |
|  | IPO Value Achieved  Top 20% = “A”  Bottom 20% = “C”  Remainder = “B” | 50% |  |  |  |  |  |
|  | Were 5 lessons presented for making a successful business? Were these well argued? | 50% |  |  |  |  |  |
|  | Overall Grade |  |  |  |  |  |  |

COMMENTS:

**Present Your Company Concept**

Team: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Team Members: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How well did the team address the following?

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| COMPONENT | | Grade Weight | Out-Standing 100% | Good  90% | Fair  80% | Poor  70% | **Comments** |
|  | The opportunity and why this opportunity exists. | 20% |  |  |  |  |  |
|  | Whose hair is on fire and why – name 5 customers and describe them. | 30% |  |  |  |  |  |
|  | The size of the opportunity (target market and projections) | 20% |  |  |  |  |  |
|  | Why your company will win (your competitive advantages) | 30% |  |  |  |  |  |
|  | Overall Grade |  |  |  |  |  |  |

COMMENTS:

**PRESENT COMPANY ADVISORS & REVENUE FORECASTS**

Team: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Team Members: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How well did the Executive Summary address the following:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| COMPONENT | | Grade Weight | Out-Standing 100% | Good  90% | Fair  80% | Poor  70% | **Comments** |
|  | Secure 2-3 Company Advisors   * + One Technical Advisor (someone who knows the technology; can be a professor of engineering, etc.)   + One Marketing Advisor (someone who knows the market or channels of distribution)   + One customer advisor (someone who knows the customer or someone who is the customer). | 50% |  |  |  |  |  |
|  | Present your revenue forecasts – Year 1 by month; Years 2-5 by year. You should justify and support that your forecasts are believable and accurate. | 50% |  |  |  |  |  |
|  | Overall Grade |  |  |  |  |  |  |

COMMENTS:

**PRESENTATION OF THE EXECUTIVE SUMMARY**

Team: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Team Members: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How well did the Executive Summary address the following:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| COMPONENT | | Grade Weight | Out-Standing 100% | Good  90% | Fair  80% | Poor  70% | **Comments** |
|  | Secure 3 Company Advisors   * + One Technical Advisor (someone who knows the technology; can be a professor of engineering, etc.)   + One Marketing Advisor (someone who knows the market or channels of distribution)   + One customer advisor (someone who knows the customer or someone who is the customer). | 30%  10% each |  |  |  |  |  |
|  | The opportunity and why this opportunity exists. Quantify the need. | 25% |  |  |  |  |  |
|  | A thorough competitive assessment. | 20% |  |  |  |  |  |
|  | The size of the opportunity (target market and projections) | 15% |  |  |  |  |  |
|  | The costs and revenues  How does your company make money? | 10% |  |  |  |  |  |
|  | Overall Grade |  |  |  |  |  |  |

COMMENTS:

**TEAM FINAL BUSINESS PLAN GRADING EVALUATION**

Team Name and Members: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How well did the Business Plan answer the following:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| COMPONENT | | Grade Weight | Out-Standing 100% | Good  90% | Fair  80% | Poor  70% | **Comments** |
| 1) | The Opportunity  Whose hair is on fire? Why (discuss competition)?  How many others’ hair are on fire? | 15% |  |  |  |  |  |
| 2) | Marketing Strategy  What is your marketing strategy (4P’s) to help you win in the market? | 10% |  |  |  |  |  |
| 3) | People  Why does your team have the requisite skills and experience to win? | 10% |  |  |  |  |  |
| 4) | Operations  How will you organize to capitalize on your opportunity?  How will you produce your product or service? | 5% |  |  |  |  |  |
| 5) | Intellectual Property  Do you have anything “protectable”? | 5% |  |  |  |  |  |
| 6) | Project Planning  Who should do what and when? | 5% |  |  |  |  |  |
| 7) | Financials  How financially healthy is the business; will it be? | 10% |  |  |  |  |  |
| 8) | Financing  How much money do you need?  Where will you get the money?  How much should that money cost? | 10% |  |  |  |  |  |
| 9) | Risk  What can go wrong and what will you do if it does? | 5% |  |  |  |  |  |
| 10) | Exit  How will you exit from the opportunity?  How will you make money?  How do others make money? | 5% |  |  |  |  |  |
| 11) | Was the plan well written? | 10% |  |  |  |  |  |
| 12) | Were data tables used effectively? | 10% |  |  |  |  |  |
|  | Overall grade |  |  |  |  |  |  |

Comments:

TEAM PARTICIPATION FORM

Please complete this form and email it to me. It is due for our final class.

Print Your Name:

Date:

In the space below, please grade your team members based on your assessment of their effort and contribution. Also, please grade yourself – however, your self-assessment will not be averaged into your team-participation grade.

Student Name (please list alphabetically); then indicate the grade each should receive for each of the following components:

**A) Attendance at team meetings/conference calls**

Team Members Grade (A to F)

1)

2)

3)

4)

**B) Contribution during team meeting/conference calls**

Team Members Grade (A to F)

1)

2)

3)

4)

**C) Overall contribution during the course**

Team Members Grade (A to F)

1)

2)

3)

4)

**Grade Posting Sheet**

Full Name: Last: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, First: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Class Location/Time: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_ Date: 1/2010

**414 Practicum in Entrepreneurship FINAL GRADE: \_\_\_\_\_\_\_\_\_\_**

Address:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone or Cell: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail (neatly): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Grade Summary**

**A+= 100%; A=95%; A-=90%; B+=89%; B=85%; B-=80%; C+=79%; C=75%; C-=70%**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Component** | **Wt.** | **Grade** | **Total Points Rec’d** | **Comments** |
| IPO Presentation: 1) Valuation (Top 20%=A; Bottom 20% = C); 2) 5 Keys to Success | 15% |  |  |  |
| Email me Voice Over PowerPoint Presentation ( 5 min): 1 Example of a Great Website & 1 Example of a Poor Website and Why (4 slides) | 10% |  |  |  |
| Present Your Company Concept; Competitive Assessment; Quantify Market; Name 5 Customers & Describe Them (10 min) | 15% |  |  |  |
| Presentation Executive Summary: Advisors; Revenue/Profit Projections, Capital Requirements | 10% |  |  |  |
| **Business Plans**  **Final Presentations**  Team Participation | 20%  20%  10% |  |  |  |
| **Total:** | 100% |  |  |  |

Note: T = Team; I = Individual

Comments:

1. Of the ten richest people in America, five were entrepreneurs. The other five were Waltons – whose family started Wal-Mart (Forbes 2004). [↑](#footnote-ref-1)
2. SBA Statistics & U.S. Senate Committee on Small Business [↑](#footnote-ref-2)