Stevens Institute of Technology

Howe School of Technology Management

Syllabus

**MGT/MIS663 Entrepreneurship**

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| Semester: **2012** | Day of Week/Time: |
| Instructor Name & Contact Information:  **Thomas Lechler,** Ph.D.  Associate Professor  Babbio Center 636  Tel: 201-216-8174  Fax: 201-216-5385  [thomas.lechler@stevens.edu](mailto:thomas.lechler@stevens.edu) | Office Hours:  **Wed. 2:30 – 3:15 and by appointment**  Class Website:  <http://webct.stevens.edu> |

**Overview**

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| This course is offered for students who are involved in the process of creating and developing new products or services within organizations or who plan to start their own business. Students are exposed to the challenges, problems and issues faced by inventors who transform their inventions into economic viable innovations. This integrative course develops the fundamental business skills necessary to identify, evaluate, develop and exploit business opportunities.  *Prerequisites: None* |

**Introduction to Course**

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| Many engineers and scientists are directly involved in the creation of new technologies and products. They are competing for funding their ideas and they will only succeed if they are able to relate their technical ideas to the business perspective and to communicate their ideas to senior managers, investors or bankers.  This course focuses on the process to identify, evaluate and present business opportunities and to develop a complete business plan. Students will develop an understanding of innovation and entrepreneurship. They will learn how to plan, start and grow a business opportunity. The academic purpose is to offer a logical and systematic approach for understanding the entrepreneurial process. Case studies and real life experiences will be intertwined with the current research in entrepreneurship and innovation management.  In this course students will present their own business ideas that will be systematically evaluated, discussed and improved in group interactive discussions. To understand the challenges of start-up processes students will directly interview entrepreneurs. In teams students will create a complete business plan of their business idea. |

**Learning Goals**

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| After taking this course, the student will be able to:     1. Identify and recognize viable business opportunities. 2. Critically evaluate business opportunities. 3. Differentiate between small business and entrepreneurial opportunities. 4. Develop a winning business model. 5. Present effectively the business idea. 6. Assess and obtain required resources. 7. Manage growth of new ventures. 8. Define exit strategies. 9. Develop and write an effective business plan. |

**Pedagogy**

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| The course will employ lectures, case studies, class discussions, six individual assignments, one exam and one team project. Every student has to develop five business ideas and present one business idea during the class. Students will critically evaluate and discuss the presented business ideas and prepared cases. Every student is required to conduct an interview with an entrepreneur and prepare a real life case analysis. In the final project, student teams will develop a complete and actionable business plan. |

**Required Text(s)**

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| William D. Bygrave, ed. *The Portable MBA in Entrepreneurship*, 4th Edition. (New York: John Wiley & Sons, 2009).  William D. Bygrave and Dan D’Heilly, eds. *The Portable MBA in Entrepreneurship Case Studies*, 2nd Edition. (New York: John Wiley & Sons, 1997).  All other materials used in this course are provided on WebCT. |

**Required Readings**

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| Peter F. Drucker, *Innovation and Entrepreneurship*. (Harper Business, 2006) |

**Additional Readings**

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| Robert D. Hisrich and Michael D. Peters, *Entrepreneurship: Starting, Developing, and Managing a New Enterprise*, 5th Edition. (New York: Irwin-McGraw Hill, 2001).  Ernesto J. Poza, *Smart Growth: Critical Choices for Continuity and Prosperity.* (San Francisco: Jossey-Bass Publishing Co., 1989.)  Robert D. Hisrich, ed. *Entrepreneurship, Intrapreneurship, and Venture Capital*. (Lexington, KY: Lexington Books, Inc., 1986).  Donald L. Sexton and Raymond W. Smilor, eds., *Entrepreneurship 2000.* (Chicago: Upstart Publishing Co., 1997).  Robert D. Hisrich and Candida Brush, *The Woman Entrepreneur*. (Lexington: Lexington Books, Inc., 1986).  Mark Van Osnabrugge and Robert Robinson, *Angel Investing*. (San Francisco: Jossey-Bass Publishing Co., 2000). |

**Assignments**

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| The course assignments consist of four distinctive deliverables.  1. Class Participation  Class participation on all cases and discussions are essential to enhance the learning experience. Attendance in class sessions is an important component of this grade. Everyone is expected to have read the assigned material and participate actively in the lecture discussions.  2. Venture Business Idea Portfolio  This is an individual assignment. It is expected to develop a portfolio of five business ideas. The paper/electronic version should be less than 2 pages.  Please submit each idea online on WebCT in the following format. The name of the file should be: FirstIdea\_LastName; SecondIdea\_LastName; ThirdIdea\_LastName; FourthIdea\_LastName; FifthIdea\_LastName.  **This assignment should be conducted solely by each individual student!**  3. Elevator Pitch  One out of the five ideas has to be presented. The presentation of the business idea must be no longer than 2 minutes, in front of the class. The use of slides is not permitted.  4. Real Life Venture Analysis  You are asked to become acquainted with founders of a technology-driven new venture business that was formed within the past five or six years, and to prepare, through a personal interview, a report in the following sequence:   1. Together with the entrepreneur, complete the questionnaire provided in the class. 2. Write one page profile of the company’s present status. 3. Write one page about the critical development stages and decisions concerning the venture’s start-up and growth 4. Write one page describing the personal characteristics of the entrepreneur. Particularly emphasize on the source of his/her motivation to create and exploit a business opportunity. 5. Write one page describing how the entrepreneur became familiar with the target market. How is the professional background related to the market and technical knowledge necessary to develop the business idea? 6. Write one page describing and evaluating the venture’s initial business idea. Compare the initial business idea with the actual business idea. Did the idea change over time? What were the reasons for the changes?   **This assignment should be conducted solely by each individual student!**  5. New Venture Business Plan  A complete and comprehensive business plan has to be delivered as part of a team effort. The team consists of max. two students. The business idea could be selected from the presented individual ideas. The format of the business plan will be offered in the course.  ***Submission of Assignments***  All assignments have to be submitted in electronic form to the following email address: [tlechler@stevens.edu](mailto:tlechler@stevens.edu). Assignments will be only accepted if they were submitted within the due date. |

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| **Assignments** | **Grade**  **Points** |
| 1. Class Participation (individual) | 100 |
| 1. Elevator Pitch (individual) | 100 |
| 1. Five Venture Business Ideas (individual) | 200 |
| 1. Real Life Venture Analysis (individual) | 200 |
| 1. New Venture Business Plan (team max 2) | 200 |
| 1. Exam | 200 |
| **Total Points** | **1000** |

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| Letter Grade Scheme | | | | | | | | |
| A | A- | B+ | B | B- | C+ | C | C- | F |
| 1000 –  950 | 949 –  900 | 899 –  867 | 866 –  834 | 833 –  800 | 799 –  767 | 766 –  734 | 733 –  700 | 699 –  0 |

*... the instructor reserves discretion to drastically grade down for a) poor writing b) poor team participation c) delayed submission*

# **Ethical Conduct**

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| The following statement is printed in the Stevens Graduate Catalog and applies to all students taking Stevens courses, on and off campus.  “Cheating during in-class tests or take-home examinations or homework is, of course, illegal and immoral. A Graduate Academic Evaluation Board exists to investigate academic improprieties, conduct hearings, and determine any necessary actions. The term ‘academic impropriety’ is meant to include, but is not limited to, cheating on homework, during in-class or take home examinations and plagiarism.“  Consequences of academic impropriety are severe, ranging from receiving an “F” in a course, to a warning from the Dean of the Graduate School, which becomes a part of the permanent student record, to expulsion.  *Reference: The Graduate Student Handbook, Academic Year 2003-2004 Stevens*  *Institute of Technology, page 10.*  Consistent with the above statements, all homework exercises, tests and exams that are designated as individual assignments MUST contain the following signed statement before they can be accepted for grading. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  I pledge on my honor that I have not given or received any unauthorized assistance on this assignment/examination. I further pledge that I have not copied any material from a book, article, the Internet or any other source except where I have expressly cited the source.  Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_  Please note that assignments in this class may be submitted to [www.turnitin.com](http://www.turnitin.com), a web-based anti-plagiarism system, for an evaluation of their originality. |

**Course Schedule**

The lecture topics could be changed in accordance to the possibility to invite guest speakers. Additional readings will be submitted in class.

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| **WEEK** | **Date** | **Probable Lecture Topic** | **Deliverable** | **Reading for this class** |
| 1 | 09/12/11 | Introduction to Entrepreneurship   * Defining Entrepreneurship * Entrepreneurship and its economic importance * Entrepreneurship in the light of economic theory * Invention vs. Innovation |  | Bygrave 1,  Drucker Intro, 1 |
| 2 | 09/19/11 | Business Opportunity Components   * Technology Innovations * Market Innovations * Business Models Innovations |  | Chesbrough Paper |
| 3 | 09/26/11 | Business Opportunity Evaluation & Communication   * Evaluation criteria of business opportunities * Presenting business opportunities | 1. Venture idea | Bygrave 2,3 |
| 4 | 10/03/11 | Business Opportunity Sources   * Sources of business opportunities | 2. Venture idea | Drucker, I.2 – I.11 |
| 5 | 10/11/11 | Elements of Start-up Strategy   * Defining a mission and vision | 3. Venture idea | Drucker III.16–III.19 |
| 6 | 10/17/11 | Elements of Start-up Strategy   * Technology strategy and the management of IP   **Midterm Exam** | 4. Venture idea | Bygrave 11 |
| 7 | 10/24/11 | Elements of Start-up Strategy   * Market Strategy (e.g. Competitive analysis, customer verification, pricing) |  | Bygrave 4 |
| 8 | 10/31/11 | Financial Analysis   * Sources of finance | 5. Venture idea | Bygrave 7, 8 |
| 9 | 11/07/11 | Financial Analysis   * Cash flow & NPV projections |  | Drucker II.12-II.15  Bygrave 6 |
| 10 | 11/14/11 | The Role of the Entrepreneur   * Analyzing the specific situations of entrepreneurs * Personal traits of successful entrepreneurs * Building the Management Team | Real life case | Bygrave 1 |
| 11 | 11/21/11 | Business Plan Analysis  - Business plan evaluation  - Business plan as a selling document | Team formation | Bygrave 5 |
| 12 | 11/28/11 | Growth Strategies   * Market activities * Technological innovation activities * Management activities * Exit strategies | Business plan sketch | Koeller, Lechler Paper  Bygrave 13 |
| 13 | 12/05/10 | Presentations  In class business plan presentations  Presentation & Discussion of Business plan issues |  |  |
| 14 | 12/12/10 | Submission of business plans | Business plan  due |  |