

**ENTR/MGNT 421-001**

***Initiating and Managing Entrepreneurial Growth***

**College of Business Administration, University of Nebraska**

**Fall 2016; CBA-31, T/Th 12:30 p.m. – 1:45 p.m.**

**INSTRUCTOR** Varkey K. Titus Jr., Ph.D.

Department of Management

College of Business Administration

University of Nebraska - Lincoln

**OFFICE** CBA 267 HOURS: By Appointment

**E-MAIL**  vtitusjr2@unl.edu (preferred mode of communication)

**REQUIRED TEXTS:**

Dyer, J., H. Gregersen, C.M. Christensen. 2011. *The Innovator's DNA: Mastering the Five Skills of Disruptive Innovators*. Harvard Business School Press.

Mullins, J.W. 2013. *The New Business Road Test: What Entrepreneurs and Executives Should Do Before Writing a Business Plan*, 4th ed. Financial Times/Prentice Hall.

Other course readings, including articles and case studies, will be posted on Blackboard.

**COURSE DESCRIPTION**

The beginning of the entrepreneurial journey often starts with a simple idea. Yet the new business landscape is littered with ideas ranging from the inane to brilliant. How do entrepreneurs generate new venture ideas, and how do you know the difference between a million dollar idea and one destined to go nowhere? The unfortunate reality is that there is no clear-cut answer to these questions; however, scholarship in entrepreneurship has generated several important insights. While creativity is unpredictable in nature, there are some basic skills that you (as a nascent entrepreneur, or at least an interested individual) can develop to facilitate your ability to identify or create opportunities. Furthermore, there are fundamental questions—and methods for exploring those questions—that can provide you with a better understanding of the economic feasibility of your business idea.

This course will cover two primary topics:

1. Creativity – the discovery/creation of innovative business ideas.
2. Feasibility analysis – the methodological analysis of the viability of a business idea.

While the course will focus on new venture creation in the for-profit context, we will also discuss entrepreneurial issues as they relate to the non-profit and corporate contexts (referred to as social and corporate entrepreneurship, respectively).

At this point in your education, you have already studied the basics of entrepreneurship (ENTR/MNGT 321). The goal of this class is not to provide a broad overview of entrepreneurial topics, but rather to “dig deep” on the two topics mentioned above: creativity and feasibility. As such, there will be multiple assignments and numerous in-class exercises meant to develop your ability to generate and assess ideas.

**COURSE OBJECTIVES:**

* To build students’ conceptual understanding of where innovative business ideas originate.
* To encourage students to creatively identify and communicate market needs.
* To encourage students to innovatively address solutions to identified market needs.
* To build students’ ability to assess the feasibility of a business idea.
* To enable students to develop an understanding of the role of entrepreneurship in creating value within the greater economic system.

**ATTENDANCE**

Attendance is *essential* to the learning process in this class. In-class discussion and student contributions are a crucial aspect to the learning environment. As such, attendance is mandatory. Absences should be reported to me at least 24 hours prior to class. In the case of illness on the day of class, I must receive notification within 24 hour of the absence. Evidence must be provided in order for the absence to be excused. Two unexcused absences will be allowed; each additional absence will result in a **10-point penalty**.

**GRADING**

|  |  |  |
| --- | --- | --- |
| **Assignments** | **Description** | **Point total** |
| Pop quizzes | 10 points each | 50 |
| Major quiz | Supplemental (non-text book) readings | 50 |
| "Bug list" presentation |  | 30 |
| "Bug list" reflection |  | 5 |
| Solution presentation |  | 40 |
| Solution reflection |  | 5 |
| Feasibility analysis |  |  |
|  | Write-up | 75 |
|  | Presentation | 25 |
|  |  |  |
| Investment paper |  | 5 |
| Class contribution |  |  |
|  | Day-to-day (first half of semester) | 10 |
|  | Day-to-day (second half of semester) | 20 |
|  | Case studies (10 points each) | 30 |
|  | Student-led current events | 5 |
|  |  |  |
| Exam |  | 50 |
| **Total points** |  | **400** |

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| --- | --- |
| **General Grading Rubric** | |
| 95-100% | The student(s) not only does an outstanding job meeting each requirement of the assignment, but creatively excels and goes beyond expectations. |
| 85-94% | The student(s) does an excellent job addressing each of the major requirements for the assignment. |
| 75-84% | The student(s) satisfies the assignment requirements. |
| 74%-below | The student(s) does not meet the requirements of the assignment. |

**CLASS CONTRIBUTION**

It is my belief that classroom contribution can help you in your future work, whether you plan on starting a business or seek employment from an established organization. As such, you are expected to actively contribute to class discussion. This is not simply a class “participation” issue, but rather a class “contribution” issue. I expect students to read all material before class and contribute to class discussion by building on the issues discussed in the readings. Further, **actively listening** to your fellow classmates, and building off (or providing principled disagreement with) their comments helps create a rigorous, rewarding atmosphere. Some characteristics of outstanding class contribution include:

* Comments that add valuable and unique insight to the discussion.
* Raises the level of discussion to a higher level by applying concepts and examples related in class or in the text to the discussion at hand.
* A willingness to take risks in attempting to answer difficult questions.

You will not earn a high class contribution grade by simply talking a lot. On the other hand, you will not earn a high contribution grade by not speaking up at all. I encourage you to speak with me if you have trepidation with speaking up in class, and we can jointly develop strategies to address this issue. I will provide a day-to-day participation grade at the end of the first half of the semester. This gives you the opportunity to assess whether you want to improve or maintain your current performance on the class contribution metric.

**POP QUIZZES:**

Periodically throughout the semester, I will give pop quizzes over the reading. These quizzes are not meant to be difficult. Instead, think of them as assessments to make sure you are doing your reading for every class. The quizzes will likely be essay in format, though they might be multiple choice/true false. I will design the quizzes such that students who consistently reads and reflect on the material it will do well.

**EVALUATION:**

Please remember that questions/concerns about grades should be addressed sooner rather than later (i.e., do not wait until the last week of class). If you have a question or concern about one of your grade, discuss it with me within two weeks of receiving the grade.

The following grading scale will be used to assess your final grade. Please note that I will round to the nearest whole number—i.e., if you earn a 91.5%, then I will round it to 92% (and therefore an “A”), while a 91.4% will round to a 91% (and therefore an “A-”).

A 92% and above

A- 90%-91%

B+ 88%-89%

B 82%-87%

B- 80%-81%

C+ 78%-79%

C 72%-77%

C- 70%-71%

D 60-69%

F 59% and below

**ASSIGNMENTS**

***Student-led Current Events***

Each class period 1-2 students will be assigned to find a current event that relates to the topic we discuss that day. I will call on the student(s) responsible for finding a current event at the beginning of class to spark discussion for the day. Resources that may help include: businessweek.com, inc.com, the Wall Street Journal, etc. The basic structure for this assignment is around 2 minutes spent summarizing the article, and then 2-3 discussion questions posed to the class.

***Bug List Presentation***

Individuals are constantly faced with issues that inconvenience them. According to Dyer et al. (2011), successful entrepreneurs often **observe** the world around them and develop sensitivity to *what doesn’t work*. Given the importance of observation to the discovery/creation of innovative ideas, the objective of this assignment is to facilitate your ability to observe the world around you and develop potential business ideas to address the issues you observe.

Each team (4-5 people) is required to identify three observable problems. These problems should be things that the team observes that “bugs” people (as consumers, business owners, government agents, etc.) and is causing them trouble. I encourage you to be creative with this assignment. You are surrounded by bothersome issues, so take the time to observe your environment and identify these issues in a purposeful manner. These issues do not have to be major, “world-changing” things. In fact, I encourage you to keep it simple and easy to communicate. This assignment requires direct observation of people going about their daily business. The focus of this assignment is not about solving the issue (we will get to that later), but rather simply identifying the issue.

The problems you observe can be captured and communicated in one of two ways:

* An **original** photograph
* An **original** video (no more than 15 seconds)

Your team will give a 5-minute long presentation on the three issues you identified. Each issue should be addressed in one slide (containingthe photograph or video). Your final slide (slide 4, not counting your title slide) should contain a brief, one sentence summary of each of your three observations. Please post your PowerPoint slides to Blackboard no later than the day of the presentation. Each team member is expected to participate in the presentation.

During the presentation you will briefly discuss each issue you captured, and why your team thought it was interesting. After the presentation, your classmates and I will vote for the two ideas that are worth additional exploration, which will serve as the basis of your next deliverable.

Please keep a few things in mind:

* Respect privacy.
* Do not be inappropriate. Adhere to the guidelines and expectations of UNL. I want you to be creative, but this is still a university setting—so be professional and appropriate.
* Use of non-original pictures/videos misses a fundamental component of the assignment, and as such, 50% of your assignment points will automatically be deducted.

***Bug List Reflection***

**One week** after your Bug List presentation, each team member is responsible for writing an **individual** reflection on the Bug List assignment. This assignment is meant to be a personal reflection. As such, length is not the primary issue (1-1.5 pages, single spaced), but quality of content is. I will give you autonomy regarding the issues you discuss, but here are some suggestions:

* Specifically, what did you learn from the process of purposefully observing?
* Why are the problems your team identified not already solved (or at least not solved adequately)?
* How can your learning from this assignment help you in the future (regardless of whether you start your own business or decide to work for someone else)?

***Solution Presentation***

Your team now has two issues you identified in the previous deliverable. The objective of this assignment is for your team to creatively brainstorm potential ***original*** solutions to those two problems from your “Bug List” presentation. After brainstorming solutions, you are required to interview at least one “Subject Matter Expert” (SME) that can reasonably be expected to be knowledgeable about potential solutions to one of the issues you identified. Your team needs to conduct at least one SME interview for **each** problem. These interviews are meant to be brief and carefully planned by the team—I do not want you to “waste” any one’s time.

This assignment is meant to facilitate your creative problem-solving and networking skills. As such, avoid SMEs that are family members or close friends. While you may have family/friends that are knowledgeable about the problems your team identified, try to connect with people beyond your current network.

Your team will then give a brief presentation (5 minutes) on the potential solutions you identified to each of the problems. In your PowerPoint presentation, provide a visual aid if your potential solution is a product, or a succinct description if it is a service. Be sure to discuss relevant insight your SME provided. Each team member is expected to participate in the presentation. Your PowerPoint presentation should be no more than seven slides:

* Problem #1 (from prior presentation)
* Solution #1
* Why solution #1 solves problem #1
* Problem #2 (again from earlier presentation)
* Solution #2
* Why solution #2 solves problem #2
* List of SMEs contacted including name, title, and why this individual qualifies as an SME.

Post your PowerPoint slides to Blackboard no later than the day of the presentation.

A few things to keep in mind:

* Be realistic about your solutions (e.g., within the boundary of realistic technology).
* Be respectful of your SMEs’ time. Be polite, professional, and polished in your interactions with them. Remember that you do not simply represent yourself—you represent UNL and the CBA.
* The SME interview is a critical component of this assignment. If you neglect to do an interview with an SME, 50% of your assignment points will be deducted.

NOTE: If you wish to use presentation software other than PowerPoint (e.g., Prezi), you are welcome to do so. Keep the presentations short and similar in structure to the outline I provide above.

***Solution Reflection***

**One week** after your Solution presentation, each team member is responsible for writing an **individual** reflection on their experiences with the Solution assignment. This assignment is meant to be a personal reflection. As such, length is not the primary issue (around 1-1.5 pages, single spaced), but quality of content is. I will give you autonomy regarding the exact issues you discuss, but here are some suggestions:

* Specifically, what did you learn from the process of brainstorming solutions with your team mates?
* What insight did the SMEs add to your team’s understanding of the problem and identification of a potential solution? Why is it important to consult with a SME in the first place?
* How can this assignment help you in the future (regardless of whether you start your own business or decide to work for someone else)?

***Feasibility Analysis***

This assignment gives you the opportunity to form a new team, or stay with the one you are currently with. In this assignment, your team needs to conduct a feasibility analysis on a formal business idea. This can stem from the problem/solution you identified earlier in the semester, or it can be completely different. It must be original to your team—i.e., you cannot analyze someone else’s business idea. The primary objective of this assignment is to encourage you to *research* and *carefully develop* a business idea. To that end, the following are **requirements** (if they are missing, there will be a significant and automatic point deduction) for your feasibility analysis:

* Market research (Mullins chapters 11 and 15)
  + Both primary and secondary
  + Both qualitative (interviews) and quantitative (surveys)
* Basic financial analysis & forecasts (Mullins chapter 16)

Your write-up should follow this basic outline (though you can creatively alter this to fit your needs). This write-up should be around 6-7 single-spacedpages. Be sure to clearly organize your write-up, using headings where appropriate. It is entirely possible that your analysis suggests that your idea is not feasible, and this is a perfectly fine conclusion. However, I want every time to carefully think through the selection of a business idea so that it represents a “best effort.” In other words, don’t choose an idea you know is inherently flawed from the onset. Use the outline provided on pgs. 219-220 of your Mullins text (summarized below) for your write-up.

1. Executive summary
2. Micro-level market assessment
   1. The specific target market, and its pain identified. Benefits of your solution?
   2. Growth of segment.
   3. Options to grow into other segments.
3. Macro-level market assessment
   1. Overall market size and growth rate
   2. Macro-market trends relevant to your business that may influence future growth.
4. Macro-level industry assessment
   1. Porter’s Five Forces
   2. Changes to this in the future?
5. Micro-level industry assessment
   1. Competitive sustainability
      1. Proprietary elements, organizational processes, capabilities or resources.
   2. Economic sustainability
      1. Revenue forecast.
      2. Break-even.
      3. Operating cash cycle characteristics.
6. Team assessment
   1. Mission, aspirations, and propensity for risk (this section can be short).
   2. Connectedness (can also be short).
   3. CSFs (be very clear and explicit about these).
7. Summary and conclusions
   1. Attractive opportunity?
8. References & appendix

Your presentation for this assignment should be no more than 7 minutes long, followed by a 3-5 minute Q&A period. Your slide show should follow the general outline as your paper, though you will likely have to trim some material out due to time limitations. (For example, the management team discussion may not add as much value to your presentation as other sections. Also, avoid getting too “caught up” in numbers.)

***Investment paper***

Assume you have $1 million to invest in one of the business ideas presented during the feasibility analysis presentation days. Which you would invest in, and why? This paper should be about 1-1½ pages single spaced.

**Paper formatting for reflection assignments and Investment paper**

Paper formatting for reflection papers

* 1-inch margins
* 12 point font (Times New Roman)
* If you do not use a title page for your assignment, then the heading on the first page of your assignment should be **single-spaced** and follow this style:
  + Line 1 – Name
  + Line 2 – Date
  + Line 3 – Class time
  + Double-space
  + Title (centered)

**PEER EVALUATIONS:**

**An important component of the group projects is peer evaluation.** Each peer evaluation is due the day of (or first day of) presentations. Submit your peer evaluations in the “Assignments” section of Blackboard under the appropriate assignment. The evaluations can be as short or long as you feel necessary. I want to make sure that every team member contributes appropriately. As such, if you receive consistently poor evaluations from your team, I will deduct up to 5% of your project grade. **I will deduct 5% of your project grade if you do not complete your peer evaluation on time.**

**CLASSROOM POLICIES:**

Laptops are permitted in class for note-taking purposes. However, I expect you to be professional and courteous in the classroom—i.e., no web-surfing, emailing, etc. Similarly, do not use your mobile devices, and please remember to silence them so you do not disrupt the class.

Finally, please be on time for class. Entering into the classroom late is disruptive. If you do enter late, be sure to check with me at the end of class to make sure I marked you as present that day.

**POLICY FOR LATE WORK:**

**Late work will not be accepted**. The assignments in this class are relatively few and manageable. As such, a late assignment will receive a grade of “0.” Please stay up on class assignments.

**Extra Credit Opportunities**

Wednesday, October 5, 2016, 1:30-2:30 p.m., Lied Center for Performing Arts - John Mackey, co-founder and co-CEO of Whole Foods Market. (2 pts)

Thursday, November 3, 2016, 3:30-4:30pm - Frank Bucaro (State Farm Ethics Lecture Series) (2 pts)

Quick Pitch Competition - TBA

**CBA POLICY ON ACADEMIC INTEGRITY**

Per the UNL Student Code of Conduct: "The maintenance of academic honesty and integrity is a vital concern of the University community. Any student found guilty of academic dishonesty shall be subject to both academic and disciplinary sanctions."

A. Academic dishonesty includes, but is not limited to, the following: Copying or attempting to copy from an academic test or examination of another student; using or attempting to use unauthorized materials, information, notes, study aids or other devices for an academic test, examination or exercise; engaging or attempting to engage the assistance of another individual in misrepresenting the academic performance of a student; communicating information in an unauthorized manner to another person for an academic test, examination or exercise; plagiarism; tampering with academic records and examinations; falsifying identity; aiding other students in academic dishonesty, and other behaviors in the student judicial code of conduct, Article III section B ([stuafs.unl.edu/dos/code](http://stuafs.unl.edu/dos/code))

B. The penalties for academic dishonesty will be severe, and may range from receiving a failing grade on the test or assignment, failing the course in which academic dishonesty took place, or the possibility of expulsion from the university. Faculty will report all cases of academic dishonesty to the Dean of Students at UNL, who will place a report in the student’s permanent file. A file of academic integrity violations will also be maintained by the College of Business.

C. If you copy, or substantially copy, work from anyone else on a paper, the work must be put in quotes and the source(s) cited. Otherwise, it is plagiarism. If plagiarism or other forms of academic dishonesty are found on a group work assignment, it is possible that every member of the group will be punished. It is to your advantage to check out anything that does not seem like the work of your group members or colleagues. Written assignments are subject to verification using Safe Assignment for plagiarism.

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| **Date** | **Topic covered** | **Readings** | **Assignments** |
| 23-Aug | Intro |  |  |
| 25-Aug | Disruptive innovation | Dyer et al. Chpt 1 |  |
|  |  |  |  |
| 30-Aug | Associating; "Cultural diversity at the top" | Dyer et al. Chpt 2; Blackboard |  |
| 1-Sep | Questioning; "Do teams who agree to disagree make better decisions?" | Dyer et al. Chpt 3; Blackboard |  |
|  |  |  |  |
| 6-Sep | Observing; "Wall Street doesn't understand innovation" | Dyer et al. Chpt 4; Blackboard |  |
| 8-Sep | Guest Speaker - Kelly Sturek, BugEater Foods |  |  |
|  |  |  |  |
| 13-Sep | Networking & Experimenting | Dyer et al. Chpt 5 & 6 |  |
| 15-Sep | "Bug list" presentations |  | **Peer evals due** |
|  |  |  |  |
| 20-Sep | No class - out of town |  |  |
| 22-Sep | Innovative companies; People; "High cost of Low Wages" | Dyer et al. Chpt 7-8; Blackboard | **Bug list reflection due** |
|  |  |  |  |
| 27-Sep | Processes; "The 5 whys for start-ups" | Dyer et al. Chpt 9; Blackboard |  |
| 29-Sep | Major quiz on supplemental readings |  |  |
|  |  |  |  |
| 4-Oct | Case study (Pure Home Water) | Blackboard |  |
| 6-Oct | Will it work? | Mullins Chpt 1 |  |
|  |  |  |  |
| 11-Oct | Will the fish bite? | Mullins Chpt 2 |  |
| 13-Oct | Guest speaker - Angela Garbacz, Goldenrod Pastries |  |  |
|  |  |  |  |
| 18-Oct | Fall Break |  |  |
| 20-Oct | "Solutions" presentations |  | **Peer evals due** |
|  |  |  |  |
| 25-Oct | Case study (P&G) | Blackboard |  |
| 27-Oct | Good market? | Mullins Chpt 3 | **Solutions reflection due** |
|  |  |  |  |
| 1-Nov | Guest speaker – Tullen Mabbutt, Catalyst |  |  |
| 3-Nov | Good industry? How long will the advantage last? | Mullins Chpt 4 -5 |  |
|  |  |  |  |
| 8-Nov | What drives your dream? Team | Mullin Chpt 6 & 7 |  |
| 10-Nov | Connections that matter; Seven domains at work; Before the business plan; Evidence-based forecasting | Mullins Chpt 8-10, 16 |  |
|  |  |  |  |
| 15-Nov | What you don't know you don't know; Marketing research | Mullins Chpts 11, 15 |  |
| 17-Nov | Case study (Barista’s Battle Scars) | Blackboard |  |
|  |  |  |  |
| 22-Nov | No class - work on your feasibility study |  |  |
| 24-Nov | Thanksgiving break |  |  |
|  |  |  |  |
| 29-Nov | Feasibility presentations |  | **Feasibility write-up due** |
| 1-Dec | Feasibility presentations |  | **Peer evals due** |
|  |  |  |  |
| 6-Dec | In class activity |  | **Investment paper due** |
| 8-Dec | Exam |  |  |

*NOTE: The instructor reserves the right to modify the syllabus (i.e., the content and/or structure of the course) as perceived necessary.*