MGMT 451-001: NEW VENTURE CREATION

Professor: David J. Miller
Semester: Spring 2011
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Course: MGMT 451-001, Thursday 7:20 PM – 10:00 PM
Location: Robinson Hall B203
Office Hours: Tuesday 12:00 – 3:00 pm; SOM Office # 49/Johnson Center Jazzman’s Café or by appointment

Course Website Address: Blackboard


Course Description

New venture creation is crucial to economic growth, job creation, and societal change. It is also an important (alternative) career path for many people. In the U.S., one out of every 25 adults is said to be actively trying to start their own business. But as to how to start up a new venture, business school curriculums have only recently begun to research and teach this subject. This course is designed to provide an in-depth examination of new venture creation and build students’ skill of business plan writing and new venture analysis.

Text and Required Materials

Essentials of Entrepreneurship and Small Business Management, 5/E
By Thomas W. Zimmerer and Norman M. Scarborough
ISBN: 0-13-149178-4
Publisher: Prentice Hall
Textbook’s website: http://www.prenhall.com/zimmerer

In addition, we will read current news articles and use other multi-media assets from a variety of sources, including The Wall Street Journal, Fortune, Inc., Entrepreneur, and various online content. These materials will complement the textbook and lectures and give us a chance to examine course concepts with contemporary, real world examples. This material will be distributed via Blackboard, email, and other means.
LEARNING OBJECTIVES

This class is based on a multidisciplinary foundation and thus assumes a working knowledge of finance, accounting, marketing, and management. While prior experience in these areas is not critical, you will be asked to demonstrate mastery of different concepts and apply them to the process of new business creation. In addition to the course content, the class is designed to help you develop several capabilities that are critical to entrepreneurs, including teamwork, information search, creative thinking, and oral and written communication skills. Learning objectives include.

1. Explain the meaning of entrepreneurship and the risks and rewards that go along with being an entrepreneur.
2. Learn how to evaluate ideas to determine whether they are sound business opportunities.
3. Describe the steps involved in planning, funding, and launching a new venture.
4. Develop an understanding of industry and competitive environments.
5. Learn to assess market forces and cash flow requirements.
6. Discuss the importance of developing a competitive advantage.
7. Develop sales and presentation skills essential to the entrepreneurial process.
8. Learn how to develop and present an effective business plan.
9. Discuss the importance of an effective management team.
10. Explain financing options and realistic financial projections.
11. Discuss your own entrepreneurial capabilities.
12. Develop an appreciation for the power of innovation and its impact in the global marketplace.
13. Understand the role of technology in new venture creation.

GRADING POLICIES

Methods of Student Evaluation (40% team, 60% individual)

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Class participation, attendance and assignments</td>
<td>15%</td>
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<tr>
<td>Mid-term examination</td>
<td>15%</td>
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<tr>
<td>Entrepreneurial Profile Paper</td>
<td>15%</td>
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<tr>
<td>Presentation of business plan</td>
<td>20%</td>
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<tr>
<td>Written business plan</td>
<td>20%</td>
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<tr>
<td>Final Exam</td>
<td>15%</td>
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Assignments, Attendance, and Participation (15 percent)

Weekly assignments, attendance and participation are required. Because of the interactive nature of this course, you must be familiar with the material before coming to class and to participate in class discussions. Participation grading is taken seriously and participation points will be counted towards your grade throughout the semester. Attendance will be monitored. There will be opportunities for participation via other means, including various online opportunities.
At the beginning of the semester, each student will be assigned a class session during which the student will lead a short class discussion. Details for this assignment will be discussed in the first session and will be included in class slides available on blackboard.

It is understood that circumstances arise that require students to miss class from time to time. Each student is allowed to miss 2 classes during the semester without penalty (this excludes University approved absence). Missed classes beyond the allowed 2 will are considered excessive and the student will get a score of 0 for every missed class after the two freebies.

**Entrepreneurial Profile Paper (15%)**
Each student will write a report profiling a successful entrepreneur. You will be required to interview the subject and cover topics from the textbooks. Your interview questions must be turned in by 5th week of the semester. Once the interviews are complete, you will write a report based on the interview that describes how various concepts from the course are practiced in real life. The report will be due at the beginning of the 9th class. Paper is limited to 6 double spaced pages – do not include endnotes and bibliography in page total. (Note: NO EXTENSIONS)

**Group Work (40 percent)**

*Business Plan (20%).* At the beginning of the semester you will form teams of 4-5 members. Each team will be responsible for developing a unique and feasible business plan.

*The Grading Criteria for the business plan:*
- Overall quality of the business idea and business model (i.e., viability of the proposed venture)
- Quality of industry & competitor analysis
- Quality of customer profiling
- Quality of marketing strategy
- Accuracy and completeness of financial information
- Quality of the other components of business plan (e.g., executive summary, mission statement, description of products, appendix, etc.)
- Overall quality of writing style (e.g., the structure of the business plan, logical consistency, clarity, presentation, etc.)

*Business Plan Presentation (20%).* Your team will be required to make a 10-15 minute professional presentation (i.e., no note card reading) of your business plan to judges from the regional business community. Visual aids (i.e., slides, video clips, handouts) are strongly encouraged. Each group member must participate equally during your presentation. One or two members of the group should not dominate the presentation and/or in taking the audience’s questions.

*The Grading Criteria for the business plan presentation:*
- Overall quality of presentation content (including viability of the proposed venture, industry & competitor analysis, customer profiling, marketing strategy, financial information, etc.)
• Skill and directness in answering questions
• Overall quality of presentation process and materials (e.g., effectiveness as discussion leader, ability to stimulate audience interest, logical consistency, communication clarity and persuasiveness, effective use of visual aids, presentation style, etc.)

Note: At the end of this semester, each member of the team will evaluate the contribution of the other members to ensure "grade equity". This means that you may receive a grade for the group work (business plan and presentation) that is above or below that which the “team” receives.

Mid-term Examination and Final Examination (30 percent)

Mid-term Exam (15%) will be closed book and will take place in class. It will consist of a combination of multiple choice and short answer questions and will cover textbook, lecture, and other materials discussed in class.

The Final Exam (15%) will consist of four questions on material and concepts covered throughout the course. The final exam is a take home exam. Answers to these questions will be due during final exam week. More detailed instructions will come with the exam.

Grading Scale
At the end of the semester, the total points grades received for the six course components will determine a letter grade assigned as follows:

A    = 93-100
A-   = 90-92
B+   = 87-89
B    = 83-86
B-   = 80-82
C+   = 77-79
C    = 70-76
D    = 60-69
F    = 59 and below

Other Important Issues

Group project days – This course has some group project days, during which students are required to work on their assignments. If for some reason you cannot show up to join your team on those project days, please make sure to inform your team members in advance.

Professional behavior – This is a fourth year, management elective and as such, students are required to exhibit professional behavior in assignments, during class discussions, and in interactions with fellow students, the professor, and members of the business community that we interact with during the semester.
**Academic Honesty** — You probably are already familiar with this, but I expect you to know and follow the GMU honor code ([http://www.gmu.edu/facstaff/handbook/aD.html](http://www.gmu.edu/facstaff/handbook/aD.html)). Scholastic dishonesty, including cheating in exams or plagiarism, will be treated as a violation of university’s regulations. As such, appropriate sanctions will be pursued vigorously. This ethical rule does not prevent the discussion of business ideas with classmates outside the classroom, as long as it is not specifically prohibited by the professor. Obtaining business ideas or getting notes on exams and assignments from previous years are not considered honest behavior, as they hinder the normal discovery and learning process, and overstate your preparation.

**A.** You will complete original work for this class. Research is important, but you must cite all your sources for all papers and presentations in this course. You may not paraphrase or quote without proper reference. You may not use materials prepared for other courses. You may not use material prepared by other students in the same or other sections of this course, past or present.

**B.** In order to insure equity, electronic means will be used to check originality of work.

**Students with Disabilities** — If you are a student with a disability and you need academic accommodations, please see me and contact the Disability Resource Center (DRC) at 993-2474. All academic accommodations must be arranged through the DRC.

**Final Note** — The course syllabus may be amended or changed as the semester progresses at the instructor’s discretion.

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**MGMT 451 -- 001**

**Fall 2010 Working Schedule**

<table>
<thead>
<tr>
<th>DATE</th>
<th>TOPIC</th>
<th>READING</th>
<th>ASSIGNMENTS DUE IN CLASS</th>
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</thead>
</table>
| JAN 27 CLASS 1 | * Course description and expectations  
* Introductions  
* The Foundations of Entrepreneurship | Chapter 1 |                        |
| FEB 3 CLASS 2 | * Inside the entrepreneurial mind: From ideas to reality  
* In class exercise  
* Networking Session & Team Formation  
* Details on requirements for Business Plan  
* Details on entrepreneurial profile | Chapter 1  
Chapter 2 | **Individual assignment:** 1 page (max) description of a business idea and present in class. **Email to Professor Miller by Tuesday before class at 5 pm.** Form teams near end of class. |
| FEB 10 CLASS 3 | * Building a Business Model  
* Information on Entrepreneurial Profile Assignment  
* Feasibility plans & the basics of the business plan  
* In class exercise: Case 9 Terracycle  
* Teams presents favorite business ideas | Chapter 3  
Chapter 4 | **Group Assignment:**  
Team Introduction paper w/ team name, short, creative bios of all team members. Also, write up 1 page on 3 possible Team Business Ideas (no more than 3 pages total). **Email by Weds at 5 pm** |
| FEB 17 | * Forms of Business Ownership | Chapter 5 | **Group Assignment:** |

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<thead>
<tr>
<th>Date</th>
<th>Class</th>
<th>Topics</th>
<th>Assignments/Notes</th>
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</thead>
<tbody>
<tr>
<td>CLASS 4</td>
<td>* 3 minute presentation of idea in Class * Sources of Funds: Equity and Debt * Product or Service Development</td>
<td>Chapter 13 2-page summary of new venture and product or service ideas, include key success factors, and SWOT.</td>
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</tr>
<tr>
<td>Feb 24</td>
<td>CLASS 5</td>
<td>* Creating a successful financial plan * Sources of Funds: Equity and Debt * In class sources of funds exercise * Pricing Strategy</td>
<td>Chapter 11 Group Assignment: 2 page summary of company formation for new venture, company registration &amp; ownership structure and potential sources of funds Individual Assignment: 20 questions for interview</td>
</tr>
<tr>
<td>MAR 3</td>
<td>CLASS 6</td>
<td>* Building a Powerful Marketing Plan * In class case study * Marketing Exercise * Questions/Discussion of Mid-term Exam</td>
<td>Chapter 8 Individual Assignment: 2-page (max) entrepreneurial sketch of entrepreneurs for entrepreneurial profile assignment.</td>
</tr>
<tr>
<td>MAR 10</td>
<td>CLASS 7</td>
<td>* Mid-term Exam * Group Time * Short presentation of entrepreneurial profile</td>
<td>You must take the mid-term exam at the time scheduled</td>
</tr>
<tr>
<td>MAR 24</td>
<td>CLASS 8</td>
<td>* Managing Cash Flow * In class case study * Guest Speaker</td>
<td>Chapter 12 Group Assignment: 2 page summary of target market, competitive analysis and marketing &amp; sales plan. Also include an income statement for year 1.</td>
</tr>
<tr>
<td>MAR 31</td>
<td>CLASS 9</td>
<td>* Graded Practice Team Presentation of Business Plan (7-10 minutes per team) * Competitive Analysis * Group Time</td>
<td>Revisit Chapter 3 Group Assignment: 2 page discussion on your team’s pricing strategy (include rev-cost per unit)</td>
</tr>
<tr>
<td>APR 7</td>
<td>CLASS 10</td>
<td>* E-Commerce and the Entrepreneur * Multimedia &amp; Social Media in Entrepreneurship * Choosing the Right Location * CASE STUDY * Group Time</td>
<td>Chapter 9 Chapter 14 Group Assignment: Monthly cash flow statement for first 2 years and yearly projections for years 3-5. Income statement and Balance Sheet for first two years. Individual Assignment: ENTREPRENEUR PAPER DUE</td>
</tr>
<tr>
<td>APR 14</td>
<td>CLASS 11</td>
<td>* Creating a Winning Business Plan * Guest Speaker</td>
<td>Revisit Chapter 4 Group Assignment: 2 page summary of website, e-commerce feasibility, and social/multimedia plan</td>
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<tr>
<td>APR 21</td>
<td>CLASS 14</td>
<td>* Social Entrepreneurship * Global Aspects of Entrepreneurship * In class case study</td>
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<tr>
<td>APR 28</td>
<td>CLASS 13</td>
<td>* Final practice presentation – not graded * Review of class * Final exam discussion</td>
<td>Group Assignment: 2 page summary of social impact potential of business</td>
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<tr>
<td>MAY 5</td>
<td>CLASS 14</td>
<td>* GROUP PROJECT PRESENTATIONS 10-15 minutes per presentation, 5 min q &amp; a ALL TEAMS * Distribution of Final Exam Questions</td>
<td>Group Assignment: Submit Final Group Project Business Plan; Submit Presentation Slides</td>
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