MGMT 451-001: NEW VENTURE CREATION
IT 495-001: TURNING IDEAS INTO SUCCESSFUL COMPANIES

DRAFT 11 JANUARY 2014

Time: Monday 4:30 PM – 7:10 PM
Location: KRUG HALL 242
Professor: David J. Miller
Semester: Spring 2015
Email: dmillerg@gmu.edu
Phone: 703-993-1768
Twitter: @campus_entre (class hashtag #MGMT451)
Office Hours: Mon 1:00 pm – 3:30 pm, Thur 1:00 pm – 3:00 pm & by appointment.
040 Enterprise Hall – enter the Center for Innovation and Entrepreneurship (Enterprise 042)

Course Website Address: Blackboard (we will use it)


Business Model Generation Preview (pdf) 2010. Available online (link below) and on our course Blackboard page.

Additional Readings: Additional readings will be posted on the blackboard site in the additional readings folder. These are required.

Additional Tools: There are a great number of online entrepreneurship tools to use as we search for strong business models – Business Model Fiddle (www.bmfiddle.com) and LeanStack (www.leanstack.com) and the Validation Board (www.leanstartupmachine.com/validationboard) – we will discuss and use some of these tools during the semester.

COURSE DESCRIPTION
We are fortunate to be living in an entrepreneurial era and it becomes ever more evident that new venture creation and innovation are central to economic growth, job creation, and societal change. Entrepreneurs solve problems throughout the world, change standards and in some cases create wealth for themselves and others. Students in this course will explore and examine the role of entrepreneurship, innovation and entrepreneurs in society.

As to how to start up a new venture, business school curriculums have only recently begun to research and teach this subject systematically. More broadly, entrepreneurs, investors, and business thinkers are only just beginning to treat entrepreneurship as a discipline like other professional endeavors. This course is designed to provide an in-depth examination of new venture creation and build students’ skill of business plan writing, business model discovery, customer development and new venture analysis.

This course is very interactive and experiential by nature and participants should be prepared to engage and explore entrepreneurship during each session and outside of the classroom.

All students will work as a part of team to develop a business model for a new venture. This includes developing a business model and customer hypotheses, testing these, and developing a business plan around the evolving business model. We will use some of the current work on customer development, lean startups, and learning organizations. The plan and the business model will be presented before a panel of outside judges as part of the class.

Current news articles and other media assets from sources such as The Wall Street Journal, TechCrunch, Fortune, Inc., Entrepreneur, and various other sources will be introduced. These materials will complement the textbook and lectures and give us a chance to examine course content with the use of new theories, strategies, and real world examples. This material will be distributed via Blackboard, email, and other means. The hash tag #MGMT451 will be employed on twitter for items of interest.

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 venture creation. In addition to the course content, the class is designed to help you develop several capabilities that are critical to entrepreneurs, including teamwork, measurement and execution, creative thinking, oral and written communication skills, and engagement with the world beyond your startup. 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. Develop an appreciation for the power of creativity and innovation and their impact in the global marketplace
4. Develop an appreciation for the power of creativity and innovation and their impact in the global marketplace
5. Describe the steps involved in planning, funding, and launching a new venture
6. Develop an understanding of market forces, industry and competitive environments
7. Explain financing options and develop realistic financial projections; understand and assess capital and cash flow requirements
8. Discuss the importance of developing a competitive advantage
9. Develop sales and presentation skills essential to the entrepreneurial process
10. Develop an understanding and comfort with business model canvas, lean startup methods and other new entrepreneurial tools
11. Understand the importance of a strong business model to the long-term success of innovative new ventures and organizations
12. Learn how to develop and present an effective business plan and model
13. Understand the role of technology in new venture creation and use it in course requirements
14. Assess and understand the role of innovation and entrepreneurship in social impact
15. Discuss and reflect on your own entrepreneurial capabilities

**GRADING POLICIES**

**Methods of Student Evaluation (45% team, 55% individual)**

- Class participation, attendance and assignments: 20%
- Mid-term examination: 10%
- Entrepreneurial Engagement Assignment: 10%
- Presentations of Business Plan and MVP: 20%
- Written Business Plan & MVP Brief: 25%
- Final Exam: 15%

**Individual Work (55%)**

**Assignments, Attendance, and Participation (20%)**

Weekly assignments, attendance and participation are **required**. Because of the interactive nature of this course and entrepreneurship, you must be familiar with the material **before** coming to class in order to participate in class discussions. Participation is taken seriously and will be counted towards your grade throughout the semester. Attendance will be monitored. There will be opportunities for participation.
via other means, including online opportunities. **Students are expected to use name
tents in class throughout the semester.**

At the beginning of the semester, each student will be assigned a class session during
which the student will lead a short class discussion on an innovative new venture or
product/service. 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 Engagement Assignment (10%)**
Each student will be required to engage with the entrepreneurial community in the DC
Metro and write a brief paper of up to 6 pages on the experience. Opportunities for
engagement abound and include speakers, meetups, hackathons, and industry specific
events. Organizations such as Foster.ly, Arlington Economic Development Agency,
DC Lean Startup Circle, Mason Enterprise Center and DC Tech Meetup, among others,
are constantly hosting events. More details and lists of events for this assignment will
be provided during the first weeks of class.

**Mid-term Examination and Final Examination (25%)**
Mid-term Exam (10%) 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
essay questions on material and concepts covered throughout the course. The final
exam is a take home exam and will be due during final exam week. Thoughtful
analysis with use of course materials will be expected in your answers. More detailed
instructions will come with the exam.

**Group Work (45%)**
**Business Plan and Business Model Experiments (25%)** At the beginning of the
semester you will form teams of 4 members. Each team will be responsible for
developing/discovering a unique and feasible business model and plan. Additionally,
during the term, each team will be required to create a Minimum Viable Product
Experiment and write up a 4 page brief on the experiment. (More details will be
provided in class and on blackboard)

**Grading Criteria for the business plan and MVP:**
- 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.)

Grading Criteria for business model discovery
Did team clearly explain hypothesis and experiment?
Did team measure with innovation accounting?
Did team interact with enough customers and other key stakeholders?
Did team learn and explain fruits of experiments including improved or better understanding of customers, business model, and/or feasibility of new venture

Business Plan & Business Model Presentations (20%) Your team will be required to make a 6 minute professional presentation (i.e., no note card reading) of your business plan and model to judges from the regional business community. Each group member must participate equally during your presentation. One or two members of the group should not dominate the presentation and/or taking the audience’s questions.

Additionally, each team will have to present their MVP exercises and findings to the class on multiple occasions – the final presentation will be included in the presentation grade.

The Grading Criteria for the business plan and business model presentations:
• 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 model/plan and presentation) that is above or below that which the “team” receives.

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

Team Formation – you will work with a team in this class and much of your grade will be based on group work. Most importantly, it will shape your experience in this course. Take advantage of the first few sessions and in class exercises as you consider the team that you join as it will directly impact your final grade.

Group project days – This course has some group project days, during which students are required to work on their assignments and will work with course visitors. 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 – School of Business Standards of Behavior:

The mission of the School of Business at George Mason University is to create and deliver high-quality educational programs and research. Students, faculty, staff, and alumni who participate in these educational programs contribute to the well-being of society. High-quality educational programs require an environment of trust and mutual respect, free expression and inquiry, and a commitment to truth, excellence, and lifelong learning. Students, program participants, faculty, staff, and alumni accept these principles when they join the School of Business community. In doing so, they agree to abide by the following standards of behavior:

- Respect for the rights, differences, and dignity of others
- Honesty and integrity in dealing with all members of the community
- Accountability for personal behavior

Integrity is an essential ingredient of a successful learning community. Ethical standards of behavior help promote a safe and productive community environment, and ensure every member the opportunity to pursue excellence. School of Business can and should be a living model of these behavioral standards. To this end, community members have a personal responsibility to integrate these standards into every aspect of their experience at the School of Business. Through our personal commitment to these Community Standards of Behavior, we can create an environment in which all can achieve their full potential.

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). 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.
<table>
<thead>
<tr>
<th>DATE</th>
<th>TOPIC</th>
<th>READING</th>
<th>ASSIGNMENTS DUE IN CLASS</th>
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<tbody>
<tr>
<td>JAN 26</td>
<td>* Course description and expectations</td>
<td>Chapter 1</td>
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<td>CLASS 1</td>
<td>* Introductions</td>
<td>Blank - The Lean Startup Changes Everything</td>
<td>Think about ideas for new ventures.</td>
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<td>* The Foundations of Entrepreneurship</td>
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<td>* Thoughts on experiential learning and entrepreneurship</td>
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<td>* Into the unknown (what is a startup?)</td>
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<td>* Getting ‘Out of the Building’</td>
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<td>FEB 2</td>
<td>* Inside the entrepreneurial mind: From ideas to reality</td>
<td>Chapter 2</td>
<td>Individual assignment:</td>
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<td>CLASS 2</td>
<td>* What is a startup? A business model?</td>
<td>Ries</td>
<td>1 page (max) description of a business idea and present it to class.</td>
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<td>* Networking Session</td>
<td>Blank</td>
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<td>* Introduction to business plans, lean startup, and business models</td>
<td>Review Business Model Generation</td>
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<td>* Information on Entrepreneurial Engagement Assignment</td>
<td>Preview &amp; Business Model Definitions Worksheets</td>
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<td>FEB 9</td>
<td>* What is a startup?</td>
<td>Chapter 3</td>
<td>Individual Assignment:</td>
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<td>CLASS 3</td>
<td>* Feasibility plans &amp; the basics of the business plan</td>
<td>Chapter 4</td>
<td>Complete BM Canvas for your new idea.</td>
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<td>* In class exercise</td>
<td>Review Business Model Generation</td>
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<td>* Team formation</td>
<td>Preview</td>
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<td>FEB 16</td>
<td>* Forms of Business Ownership / IP</td>
<td>Chapter 5</td>
<td>Group Assignment:</td>
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<td>CLASS 4</td>
<td>* 2 minute presentation of ideas in class with business model canvas</td>
<td>Chapter 13</td>
<td>2-page summary of 3 ideas (product or service ideas,) include customer</td>
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<td></td>
<td>* Sources of Funds: Equity and Debt</td>
<td>Alternative Sources of Funds Reading; IP Reading</td>
<td>hypothesis, key success factors for each. (What problem are you</td>
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<td>* Innovations in Funding?</td>
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<td>solving?)</td>
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<td>* Creating Minimum Viable Product, Product &amp; Service Development</td>
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<td>* Who are our customers – beachhead markets, customer segments</td>
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<td>FEB 23</td>
<td>* Creating a successful financial plan</td>
<td>Chapter 10</td>
<td>Group Assignment:</td>
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<td>CLASS 5</td>
<td>* Sources of Funds: Equity and Debt</td>
<td>Chapter 11</td>
<td>2 page summary of company formation for new venture, company</td>
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<td>* In class MVP exercise, customer segments/markets</td>
<td>Chobani Case (blackboard – HBR)</td>
<td>registration &amp; ownership structure and potential sources of funds</td>
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<td>* Chobani Case in class</td>
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<td>Individual Assignment:</td>
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<td>* Pricing Strategy</td>
<td></td>
<td>1 page overview of plan for entrepreneurial engagement</td>
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<td>Date</td>
<td>Class</td>
<td>Topics</td>
<td>Chapters</td>
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| MAR 2    | CLASS 6 | * Building a Powerful Marketing Plan  
* In class case study  
* Marketing Exercise  
* Questions/Discussion of Mid-term Exam | Chapter 8      | **Individual Assignment:** 2-page (max) entrepreneurial sketch of entrepreneurs for entrepreneurial profile assignment. |
|         |         |                                                                        |                |                                                 |
| MAR 16   | CLASS 7 | * Mid-term Exam  
* Group Time  
* Work on MVP, business model development |                | You must take the mid-term exam at the time scheduled |
| MAR 23   | CLASS 8 | * Managing Cash Flow  
* In class case study  
* Guest Speaker/Mentor | Chapter 12     | **Group Assignment:** 2 page summary of target market, competitive analysis and marketing & sales plan. Also include an income statement for year 1. **PRESENT FIRST MVP EXPERIMENT IN CLASS AND TURN IN DRAFT BRIEF.** |
| MAR 30   | CLASS 9 | * Practice Team Presentation of Business Plan / MVP Update (5 minutes per team)  
* Competitive Analysis  
* Group Time | Revisit Chapter 3 | **Group Assignment:** 2 page discussion on your team’s pricing strategy (include rev-cost per unit) |
| APR 6    | CLASS 10| * E-Commerce and the Entrepreneur  
* Multimedia & Social Media in Entrepreneurship  
* Choosing the Right Location  
* CASE STUDY  
* Group Time/Guest | 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:** ENTREPRENEURIAL ENGAGEMENT PAPER DUE |
| APR 13   | CLASS 11| * Creating a Winning Business Plan/Model  
* Global Aspects of Entrepreneurship | Revisit Chapter 4, Chapter 15 | **Group Assignment:** 2 page summary of website, e-commerce feasibility, and social/multimedia plan. |
| APR 20   | CLASS 12| * Social Entrepreneurship  
* Global Aspects of Entrepreneurship  
* Case Study: Social Entrepreneurship | Dees           | **Group Assignment:** PRESENT MVP EXPERIMENT IN CLASS AND TURN IN FINAL BRIEF. |
| APR 27   | CLASS 13| * Final practice presentation – not graded  
* Review of class  
* Final exam discussion |                | **Group Assignment:** 2 page summary of social impact potential of business |
| MAY 4    | CLASS 14| * GROUP PROJECT PRESENTATIONS  
6 minute presentation, 5 min q & a ALL TEAMS  
* Distribution of Final Exam Questions |                | **Group Assignment:** Submit Final Group Project Business Plan; Submit Presentation Slides |