Managing Growth of Small Business

MBA 714
Assistant Professor James W. Wolfe

Learning Objectives:  This advanced course in entrepreneurship is designed as an exploration of practical issues in managing the growing entrepreneurial firm. Topics will include the psychology of entrepreneurs, building entrepreneurial teams, financing, corporate entrepreneurship, global entrepreneurship, and managing innovation. This course is for anyone considering working in an entrepreneurial enterprise, whether a small business, large corporation or nonprofit. Equal attention will be given to high tech firms and more traditional industries.

Our objectives include: 1) Gaining advanced understanding of concepts and processes associated with successful entrepreneurial growth; 2) Acquiring knowledge of best practices in the management of innovation and growth, and; 3) Practicing entrepreneurial skills in resourcing, growing and leading a business through use of cases and simulation exercises.

Format:  This class is a combination of the case method with lectures. There is no textbook. The syllabus will closely follow articles and cases that have been put online. Required cases will include some developed by the Professor (available as electronic files on BlackBoard) and Harvard Business Review cases (available for purchase by you online). Each class session will include a case discussion, a brief lecture of the practical aspects of that week’s topic, and a student presentation of a related research topic.

Grading:  Students will analyze and write one case individually (maximum 30 pages). Students will also prepare one short research paper (maximum body 15 pages) on a topic of their choice, using published or peer-reviewed sources, to share with the class in advance of the relevant discussion topic. The written take home final exam will present a case. Note that no in-class presentations will be made – rather, the students writing that week’s case analysis will be called upon to begin the discussion.

Students should note that class participation is not a trivial part of the grade. Every student should be prepared to discuss the assigned articles and case at every session. The Professor should be viewed as a facilitator to discussion, and not as an oracle.

Grading will be weighted:

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Grade Structure

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Grading standards: The average grade for Prof. Wolfe’s courses is about 3.5, a “B+”. You will have to work very hard to receive an “A” and even harder to receive only a “C”. Grading is relative; you are being judged against both your peers and your own potential. Students who fail to submit an assignment or participate in discussions may automatically receive a lower course grade. Please use a name placard in class, and keep the same seat.

Case Analysis: Students will prepare one written case analysis. 30 pages maximum, not including exhibits. Be prepared to open the class discussion on the assigned date; there will be no formal “class presentation.” Note that because there are so few opportunities for grading, the case analysis and the final are critical work products. A separate grading rubric will be provided. Sign up for cases the first day of class.

Research Paper: The research paper must be prepared using published materials, either in peer reviewed journals, trade industry press, or book form. Choose a topic from the prepared list and write a brief paper for presentation and discussion with the class. Papers must be well written, well documented, and show research and citations (maximum body 15 pages). Sign up for topics on the first day of class.

Final Exam: The exam will be an individual take-home written case analysis. A grading rubric will be provided. Use your learning from your individual case write-up, the readings, and the class discussions to inform your approach to the exam.

Required Materials: There is no textbook. BlackBoard materials are available under MBA714. HBS articles and cases are required readings, and must be purchased online from the Harvard Business School, available at the website. For readings: http://cb.hbsp.harvard.edu/cb/access/11905182 For cases & the simulation: http://cb.hbsp.harvard.edu/cb/access/11905700

Recommended Materials: Helpful for those who have not had any previous study of entrepreneurship:

- The Art of the Start, Guy Kawasaki (2004)
- Every Business Needs an Angel, John May (2001)
- Raising Capital, Andrew Sherman (2005)

Schedule: Thursdays, 7:20 pm – 10:00 pm, Jan. 26 to May 3. NO CLASS MEETING on Thursday, March 15 (Spring Break). Location: Fairfax Campus, Enterprise Hall, Rm 173.

Office hours: Enterprise Hall 221 before class, 6:30 – 7:00pm, or by appointment.

Contact information: James W. Wolfe, email: jwolfe7@gmu.edu Telephone: 703-689-9656. Please use your GMU email account; others tend to get caught by spam filters.

Missed Discussions, Exams or Late Work: Missed class participation, exams or late work will not be accepted and will count against your grade. Class discussion is an integral part of this course; please note that missed class discussion cannot be made up. For this reason there is no need to inform the professor in advance if you will be out. Don’t worry if you must miss one or two sessions for work or health. Class discussion is not attendance; it is the quality of your contribution.
COURSE OUTLINE:

Class 1: January 26
Introduction & Course Logistics
Entrepreneurial Leadership – Definitions – Myths & Realities – Role in History
Entrepreneurship: The Future of the World
*The Discipline of Innovation*, Drucker (HBS Article)

Class 2: February 2
Overview of Entrepreneurial Growth
The Challenge of Growth – Psychology – Management vs. Entrepreneurship
Exercise: Discovering the Entrepreneur Within.
*A Note on Managing the Growing Venture*, Hamermesh et al. (HBS Article)
Case 1: **Nantucket Nectars** (HBS Case) You may NOT use this case for your written analysis; all students should be prepared to help lead this discussion.

Class 3: February 9
Building on Opportunity
Opportunity Recognition – Creating an Opportunity – Opportunity Screening – Business Models
*Note on Business Model Analysis*, Hamermesh et al. (HBS Article)
Case 2: **Team and Concepts Limited** (HBS Case)

Class 4: February 16
The Role of Creativity
Creativity & Innovation – Supporting Creativity
*How Pixar Fosters Collective Creativity*, Catmull. (HBS Article)
Case 3: **Amelia Rogers at Tassani** (HBS Case)

Class 5: February 23
Managing the Process of Innovation
Building a Process – Developing a Mission Statement – Goal Setting – Rewards
*Models of Innovation*, Freeman & Engle. (HBS Article)
Case 4: **Procter & Gamble** (HBS Case)

Class 6: March 1
Growing the Small Firms & Entrepreneurial Venture
The Deal – Valuation Basics – Evaluating the Opportunity – Exit Strategies
Case 5: **EyesNow** (BlackBoard)

Class 7: March 8
Competitive Positioning
Understanding Strategic Positioning – Competitive Advantage – Porter’s Forces – Written Strategic Plans
*Blue Ocean Strategy*, Kim & Maubourgne. (HBS Article)
Case 6: **Star Progress** (BlackBoard)

March 15
NO CLASS – SPRING BREAK
Class 8: March 22
Ethics and Law
Consulting Agreements – Employment Agreements – Non-compete Clauses
Case 7: Ginzel et al. v. Kolcraft Enterprises (HBS Case)

Class 9: March 29
Small Firms with Big Partners
Corporate Entrepreneurship – Intrapreneurship – Building Systems – Partnerships –
Some Practical Contract Basics
How, What & Why of Management Innovation, Hamel. (HBS Article)
Case 8: Ritz Carlton (HBS Case)

Class 10: April 5
Let’s Make a Deal
Deal Making – Structuring The Deal – Negotiations – Considering the Exit
Exercise: Negotiating a Management Buyout
Case 9: R&R (HBS Case)

Class 11: April 12
Review of Financing
The Funding Process – Private Equity & VC – Debt – Loan Documents
Online Simulation: Introduction

Class 12: April 19
Global Entrepreneurship
The Global Entrepreneur, Isenberg (HBS Article)
Case 10: ARS – American Radiator Supply (BlackBoard)
Online Simulation: Round 1

Class 13: April 26
Can We Predict Success?
Final Challenges of Growth – What Makes a Winner – How to Predict Success
Questions Every Entrepreneur Must Answer, Bhide. (HBS Article)
Online Simulation: Round 2

Class 14: May 3
Conclusions
Wrap Up Lecture – Wolfe’s Rules
Case 11: Nantucket Nectars: The Exit (HBS Case) NOTE: You may NOT use this case for your individual case write-up.
Online Simulation: Debrief
Final Exam Distributed Online

ACADEMIC HONESTY: Student members of the George Mason University community pledge not to cheat, plagiarize, steal, or lie in matters related to academic work. See the Honor Code at:
http://academicintegrity.gmu.edu/honorcode/