

PENN STATE GREAT VALLEY
MASTER OF BUSINESS ADMINISTRATION
New Ventures 1
BUSAD 511 – Fall 2

Instructor: Chuck Thomas	Fall 2, 2013: 10/22/2013 –12/10/2013
Telephone: 484.938.7863	Class Hours: 6:00– 9:00 PM
Fax: (use email)	Days & Times: Tue/Thu; 6:00 – 9:00 PM
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Management Division Office: 610-648-3229	Room: GV Main - 223

Course Overview/Description:

BUSAD 511 serves as an introduction to the issues involved in developing new ventures either independently (entrepreneurship), or within an existing business organization (corporate entrepreneurship or intrapreneurship). This survey course cannot make you an "entrepreneur" or an "intrapreneur," but it will give you tools and insights to improve your chance of success should you choose to launch a new venture. **The entrepreneurial lessons learned are also invaluable in any professional pursuit.**

This course is about developing a mindset and a framework, and is not a detailed recipe. The mindset is that of an entrepreneur, to see opportunity, to foster and engage innovation, to gauge value against acceptable risk, to be flexible in course while maintaining vision, and to make balanced decisions. The framework is to support and give sustenance to the mindset.

You will participate on a class team, which will be formed early in the course. While individual contribution is important and will be measured and graded, team participation and production is, in this class as in any entrepreneurial effort, paramount to success. Much of your individual success will be based on the success of your team. It behooves you to learn to work together effectively early in the course, and to coordinate and interact frequently. Individual contributions are significant, but cannot overcome a poor team effort.

Some of you are taking this course as an elective in the general MBA, Biotech/Healthcare Industry, or MIS programs, or other graduate pursuits, and every effort will be made to make this course useful to you. However, since this course is part of the *NVES* Program there are certain topics we will NOT cover in depth. More in-depth intra- and entrepreneurial legal, financial and operational issues are examined in New Ventures II (BUSAD 522). While we will expose these topics in this class, we may not cover each of them in great detail.

Guest speakers are scheduled throughout the term. They will not be teaching class materials; rather they will share their real-world experiences with us, or provide us with practical topical information. We will then discuss how their experiences and advice are or are not consistent with what we have been discussing in class. Please respect our guests' time by making every effort to arrive to class promptly. Note that the guest speakers' schedules sometimes require changes to the specific dates of their appearances.

Learning Objectives:

After the completion of this course, students will:

1. recognize entrepreneurial behavior in both nascent and existing firms;
2. be familiar with new venture terms and concepts;
3. know how to generate, analyze, and value new venture ideas;

4. understand the new venture process for both independent and corporate ventures;
5. have experience in building and working in teams to achieve common goals;
6. have improved skills needed during for new ventures, including presentation, negotiation, interviewing, and self-awareness skills; and
7. have a new and invigorated way of accessing scenarios and making decisions.

Measurement of Learning Objectives:

(a.k.a., Assignments & Grading)

	Weight
TEAM	
Written Business Plan	30%
Business Plan Pitch (oral by team)	10%
INDIVIDUAL	
Individual contributions to the team	10%
Class participation - in-class &/or via ANGEL	20%
Entrepreneur or intrapreneur interview ANALYSIS (written)	20%
Entrepreneur or intrapreneur interview informal presentation	10%
TOTAL	100%

We will use Penn State’s grading system as outlined in the Graduate Degree Program Bulletin (page 49): A (4.00), A- (3.67), B+ (3.33), B (3.00), B- (2.67), C+ (2.33), C (2.00).

Course Requirements:

ANGEL

This course uses ANGEL as its “infrastructure.” All assignments, syllabus revisions, PowerPoint slides, primary and additional readings (assignments, posted articles, links, or electronic reserves), etc. will be posted on ANGEL, PSGV’s course management system. All students are required to use this versatile tool to keep in touch with classmates and to keep up-to-date with course materials.

Entrepreneur or Intrapreneur interview – written analysis (Individual)

There are *several goals* for this assignment. The first is *to broaden your exposure to people who are engaged in new venture activities*, as well as the challenges and rewards they encounter. It is also *an opportunity to demonstrate that you understand and can apply the concepts we are discussing in class*. Finally, you may also *gain an informal mentor for your future career development*.

Each student will find and interview either an entrepreneur or an intrapreneur. To get the most out of this assignment, the suggestion is that you pick someone who has done something you admire and hope to emulate. Your interviewee may not be a relative, someone you work with/for, or someone with whom you have a relationship. Part of the value of this assignment is to make contact with your target interviewee and arrange for the interview. Suggested interview questions will be listed on ANGEL, but feel free to adapt these questions to fit your own situation or that of your interviewee.

The written *analysis* should include both a brief summary of the interview, and your analysis of the person’s comments. The goal is for you to generate a model of the new venture

process based on your respondent's experience. You can do this by telling the "story" of the interviewee's venture and its development, and of how you conducted your interview. This paper should be fairly short, about 5-7 single and a half-spaced pages excluding any appendices, and will be due by noon on the day of our 9th class), posted to the Interview Drop Box in Angel. This paper will be evaluated on form—layout, spelling, grammar, organization, citations, bibliography, etc. and content—use of new ventures terms, concepts, etc.

Entrepreneur or Intrapreneur interview – oral presentation (Individual)

The objective of this assignment is to share the insights you gained from the interview with your classmates and to practice your informal presentation skills. Since this is an informal presentation, please do NOT use PowerPoint slides—you may, however, use props or other materials if appropriate. Each student will sign up for a time slot to present a summary of his or her interview to the class. Each informal presentation should run for between 6 and 9 minutes.

Written Business Plan (Team Deliverable)

The learning objective for this assignment is to generate and evaluate a new venture idea in a team setting. Each team will research and write a Business Plan, which describes the objectives, strategies, and plans for the new venture. Entrepreneurs and business managers are often so preoccupied with immediate issues that they lose sight of their ultimate objectives. That's why a business review or preparation of a business plan is a virtual necessity. This may not be a recipe for success, but without it a business is much more likely to fail. Business plans are an essential ingredient in the pursuit of investors, partners, and other stakeholders. More details regarding the business plan will be posted in ANGEL.

Each team will write their business plan for a virtual venture of the team's creation for an innovative product or service. Some class time will be devoted to this project, but students will have to meet during non-class time to complete the assignment. The written business plan will be due NLT noon on the last day of class, posted to the Angel Drop Box labeled for the plan. Note: this date may change based upon class size and logistics. Students will be evaluated on how well they analyze the idea and how well they justify their conclusions.

Business Plan pitch (Team Deliverable)

The learning objective for this assignment is to practice persuasive formal oral presentations in a team setting. During the last class, each team will pitch their business plan to an imagined audience of their choice, such as a potential partner, company president, financial backer, customer, supplier, or employee. This oral presentation will be graded for both its content and its persuasiveness, using the above grading scale. This presentation will be strictly held to twenty minutes plus 5 minutes for questions.

Individual contributions to the team (Individual)

You will confidentially assess your own and your teammates' individual contributions to your team's success. It is assumed that everyone contributes equally to the team effort and therefore the same score is assigned to each team member, unless the professor receives written complaints that the teamwork has been unfairly distributed. In this event, the team has to submit a group evaluation sheet indicating each member's contribution. This evaluation should assign a percentage of the project score that each team member deserves. Also, teams have the responsibility of resolving any conflict that may arise. In the event conflict cannot be resolved, the team can fire the non-contributing member. To be fair to the fired team member,

he/she (and the professor) needs to be notified at least a week before the project's due date. The fired team member will then have to complete the project individually.

Class participation (Individual)

The goal of class discussions is for you to demonstrate that you recognize, understand and can apply new ventures terms and concepts. It is also an opportunity to practice “thinking on your feet” and conducting constructive disagreements and discussions. Your participation will be graded using Penn State’s grading system listed above. To achieve a high score you must consistently exhibit all the characteristics listed below.

As a contributing member of this class, you are expected to participate in class discussions and exercises, both for your own benefit and for the benefit of your fellow classmates. Full participation includes, but is not limited to: (1) attending class; (2) completing reading assignments prior to class; (3) active listening; (4) volunteering pertinent comments and questions; (5) raising ideas, insights and alternative perspectives; (6) respecting one another's viewpoints; and (7) constructively contributing to class activities. All students must display courtesy and respect to their fellow classmates.

You are encouraged to communicate with me and with other students, face-face and through email. You will spend considerable time and effort outside of the classroom working with your project team. Your contributions to the team are an important part of this class.

For those of you who will miss class due to travel or illness, and for those of you find it difficult to speak extemporaneously, partial class participation credit will also be given for written contributions. Such contributions include (1) posting a thoughtful discussion question related to that evening’s readings; these questions should have both “pro” and “con” perspectives and you should briefly outline answers to both sides, (2) applying the concepts from the evening’s readings to a “real-world” situation, (3) posting an article related to the day’s topic with a brief summary of how the article is pertinent. These contributions should be about 1-2 page long, and should be placed in the appropriate ANGEL drop-box.

Prerequisite(s):

MGMT 501 and 3 graduate credits in Business.

Required Materials/Texts:

1. Allen, Kathleen R., “Launching New Ventures: An Entrepreneurial Approach”, ***Sixth Edition***, Houghton Mifflin Company, New York, 2012, ISBN-10: 053848179X ISBN-13: 9780538481793

You may wish to acquire the hardcopy text (either new or used) or use the online version (i.e., cengagebrain.com: Textbook - \$211.49; Online - \$113.99; Chapters - \$10.49 – these prices are subject to change by the publisher). Additional readings and research are posted class by class on Angel in the Lessons folder. The readings will be discussed during the class and form the basis for the topics of each class.

Course Topics:

	<u>Date</u>		<u>Class Topic</u>
Class 1	10/22 Tue	Intro Topic Reading Reading Reading	Who are we & what are our goals? What is entrepreneurship? Who does new ventures? What is Intrapreneurship? Allen Chapter 1 – Understanding Entrepreneurship Allen Chapter 2 – Preparing for the Entrepreneurial Journey Angel Class 1 readings
Class 2	10/24 Thu	Topic Topic Reading Reading Teams	Creativity & Innovation Business Plan assignment & team participation & Work Plan assignment Allen Chapter 3 – Recognizing and Shaping an Opportunity Angel Class 2 readings Form teams and begin team coordination; commence Team Work Plan
Class 3	10/29 Tue	Topic Reading Due Reading	Where do you find and opportunity? Assessing opportunity value. "Business Planning Intro" in ANGEL Lessons as a guide to the course deliverable Team Work Plan Angel Class 3 readings (required: Business Planning Introduction)
Class 4	10/31 Halloween 6:00 PM Thu	Topic Guest Reading Reading	Planning: Feasibility analysis, business models, testing the concept. Class is held on Halloween; it is not a night off. David Paxton, Chair, Chester County SCORE: "Available Resources for Entrepreneurs" Allen Chapter 4 – Developing & Testing a Business Model Angel Class 4 readings
Class 5	11/5 Tue	Topic Reading Reading Reading	Industry & market analysis; brand strategy. Allen Chapter 5 – Analyzing the Industry and Market Allen Chapter 6 – Analyzing Product/Services Design & Protection Angel Class 5 readings
Class 6	11/7 Thu	Topic Reading	Intellectual property & technology issues. Angel Class 6 readings – required reading
Class 7	11/12 6:00 PM Tue	Topic Guest Reading Discussion	The founding team: who is your team; how will you build the company; decision making. Entrepreneur (TBD), Their Personal Start-Up & Growth Story Allen Chapter 7 – Building The Founding Team; also Angel Class 7 Readings Between 'Paralysis By Analysis' & 'Extinction By Instinct' MIT Sloan Mgmt. Rev 1995*
Class 8	11/14 6:00 PM Thu	Topic Guest Reading	Financial analysis Speaker from US Small Business Administration: "SBA Programs" Allen Chapter 8 – Calculating Startup Capital Requirements; also Angel Class 8 readings
Class 9	11/19 Tue	Topic Due	Interview presentations; what have we learned from our mini case studies? Interview Report & Presentations
Class 10	11/21 6:00 PM Thu	Topic Guest Reading Reading	Startup strategies, forms of organization, business plans. John Dixon, Co-Chair, Chester County Economic Development Council (CCEDC): How CCEDC helps startups, resources available, & success stories Allen Chapter 9 – Proof of Concept: a New Approach to Business Plans Allen Chapter 10 – Choosing the Legal Form of Organization; also Angel readings
Class 11	11/26 Tue	Topic Reading Reading Reading	Ethics & Social Responsibility; Operations. Allen Chapter 11 – Incorporating Ethics & Social Responsibility into the Business Allen Chapter 12 – Designing an Entrepreneurial Organization Allen Chapter 13 – Planning Startup Operations; also Angel Class 11 readings
Class 12	11/28 Thu		Thanksgiving Holiday: No Class Tonight!
Class 12	12/3 Tue	Topic Reading Reading Reading	Where do you find resources? What do you need & who will help? Allen Chapter 14 – Developing a Startup Marketing Plan Allen Chapter 15 – Funding a Start-up Venture Angel Class 12 Readings
Class 13	12/5 Thu	Topic	Managing Rapid Growth; Troubled Companies; Harvesting Primus eBook by Timmons, posted on Angel
Class 14	12/10 Tue	Due	Team Written Business Plans & Oral Pitches Final Class

Academic Integrity

Academic integrity is the pursuit of scholarly activity free from fraud and deception and is an educational objective of this institution. Academic dishonesty includes, but is not limited to, cheating, plagiarism, fabricating of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work for another person or work previously used without informing the instructor or tampering with academic work of other students. (p. 44, Policies and Rules, 1996-1997).

Policy on Audio and/or Video Recording of Lectures

Lecture notes and recordings involve issues related to the intellectual property rights of instructors and the privacy rights of students. Penn State University does not permit students to conduct audio and/or video recordings in the classroom without the faculty member's permission. Students with disabilities requiring special accommodations should contact the Office for Disability Services website at <http://equity.psu.edu/ods/>.

Peer Evaluation

If you work in a team, I will assume that everyone contributes equally and assign the same score to each team member, unless I receive written complaints that the teamwork has been unfairly distributed. In this event, the team has to submit a group evaluation sheet indicating each team member's contribution. This evaluation should assign a percentage of the project score that each team member deserves. Also, teams have the responsibility of resolving any conflict that may arise. In the event conflict cannot be resolved, the team can fire the non-contributing member. To be fair the fired team member, he/she (and I) needs to be notified at least one week before the project's due date. The fired team member will then have to complete the project individually.

Disability Statement

Penn State welcomes students with disabilities into the University's educational programs. Every Penn State campus has an office for students with disabilities. The Office for Disability Services (ODS) Web site provides contact information for every Penn State campus: <http://equity.psu.edu/ods/dcl>. For further information, please visit the Office for Disability Services Web site: <http://equity.psu.edu/ods>.

In order to receive consideration for reasonable accommodations, you must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation: <http://equity.psu.edu/ods/doc-guidelines>. If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with an accommodation letter. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. You must follow this process for every semester that you request accommodations.

If you anticipate needing any type of accommodation, call JoAnn Kelly at 610-648-3315 or jek2@psu.edu at least 6 weeks prior to enrollment to make arrangements.

Emergency Evacuation Exercises or Actual Emergency Events

Periodic fire/evacuation exercises are conducted in all occupied PSU Great Valley buildings. Every PSU Great Valley faculty, staff, and student is expected to exit the building and remain

outside until the drill or actual event is completed. Drills are a safe opportunity to test the building emergency plan, insure that the fire alarm is working properly, and allows every employee a chance to experience the procedures.

Guidelines in the Event of a Drill or Emergency.

- Please familiarize yourself with the emergency evacuation plan posted in each classroom.
- Do not use elevators. Use stairs.
- Fire doors close but do not lock or trap a person in an area.
- Should evacuation be necessary, go to the nearest exit or stairway and proceed to a pre-designated evacuation meeting area (150 feet away from building) outside the building. Stay with your instructor and class.
- Please do not leave the meeting area, return to your classroom, or go to your vehicle unless instructed to do so.

ver: 10/23/13