Fall 9-1-2001

MBA 694.01: Entrepreneurship

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Readings:
Required:
Bygrave, The Portable MBA in Entrepreneurship
Bygrave, The Portable MBA in Entrepreneurship Case Studies
Recommended:
The Wall Street Journal
Harvard Business School on Entrepreneurship
Bangs, Business Planning Guide

ATTENDANCE: This is a graduate level course with a large percentage of your grade based on class contribution. Based on this, my expectations are quite simple: I expect students to attend class.

COURSE OVERVIEW
This course is designed to provide students with the knowledge, skills, and abilities necessary to plan, finance, develop and operate either a new business venture. It concentrates on attributes of entrepreneurs, searching for viable opportunities, and gathering the resources necessary to convert a viable opportunity into a new business venture. Students learn how to evaluate entrepreneurs and their business plans. In addition, students work in teams to develop a business plan for a high potential new business venture that they have developed.

COURSE OBJECTIVES AND TEACHING METHODOLOGY
This course concentrates on: searching the environment for new venture opportunities; matching an individual’s skill set with a new venture opportunity; evaluating the viability of a new venture; obtaining financial resources for a new venture; and starting up and operating a new venture.

This course uses a combination of lectures, case studies, guest speakers, class discussions, and experiential exercises in order to expose students to the challenges that entrepreneurs face in conceiving, planning, financing, and operating a new business venture. This experience provides students with a framework that can be applied to assessing their own business ideas in the future.

The main project for the semester is for student teams to develop a business plan for their own new business venture. Each team member is required to generate ideas for five different new ventures. Each member then presents his or her ideas to the rest of the team members. From the ideas generated by individual team members each team is required to select one idea that it judges
to be the most viable new venture. The team will then write a business plan over the course of the semester. Business plans are to be no longer than 40 pages, including text and supporting exhibits.

Although not all business plans generated by the class will result in an actual new business start-up, there are numerous examples of multi-million dollar ventures that were started in entrepreneurship courses (we’ll read a few cases that will provide examples). The experience that students gain through this project will be valuable for starting their own business in the future as well as for those who will work with entrepreneurs in the future as investors, bankers, lawyers, etc.

More information on the business plan is provided later in the syllabus.

EXPECTATIONS

My expectations for this graduate level course can be described in only one way: very high. Here are some of my specific expectations:

? Proficiency in all business disciplines (i.e., accounting, finance, marketing, organizational behavior, human resource management, etc.). If you feel weak in any specific area(s) you should be prepared to allocate extra time to redevelop your skills.

? Utilize the appropriate tools and methodologies in order to analyze the case studies assigned each week. This means that if the case study requires financial analysis, then your group should conduct a financial analysis.

? Apply the readings assigned each week and previous readings in your analyses. This means applying specific models, concepts, and theories from the readings to the case that we are discussing. You shouldn’t be analyzing case studies without the tools you learn in this class.

? Plan on 75 percent of the time discussing cases consisting of comments, feedback, and arguments shared between you and your classmates. Be prepared to contribute.

READINGS, CASES, AND EXERCISES

Readings: Readings should be completed prior to coming to class. From time to time I will call on students to reflect on the assigned readings. Be prepared.

Cases: Cases will be analyzed by students before class sessions and discussed in terms of the entrepreneurial issues and strategic recommendations for the new business venture. If you have not read the case and done significant preparations, your class participation grade will be reflective of your lack of effort.

Exercises: Several exercises will be used throughout the semester in order to provide the opportunity for you to apply conceptual material to real business situations.
STUDENT EVALUATION

General comment: Grading in this course is competitive. You will be evaluated relative to the work that your classmates submit.

<table>
<thead>
<tr>
<th>COMPONENTS</th>
<th>PERCENTAGE OF FINAL GRADE</th>
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<tbody>
<tr>
<td><strong>Individual:</strong></td>
<td></td>
</tr>
<tr>
<td>Class contribution</td>
<td>20%</td>
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<tr>
<td>Peer Evaluation</td>
<td>20%</td>
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<tr>
<td><strong>Group:</strong></td>
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<tr>
<td>Critique of partner team’s business plan</td>
<td>10%</td>
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<tr>
<td>Business plan presentation</td>
<td>15%</td>
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<tr>
<td>Business Plan</td>
<td>35%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>100%</td>
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Note: Each student is required to complete the Peer Evaluation Form found in this syllabus. You should rate all team members include yourself. Scores on all four areas are aggregated and then the mean score for each member is used. This score will be used to determine how much of the 20 percent Peer Evaluation component each student receives. If you are rated significantly lower than your peers, your course grade will be lowered significantly. If you score significantly higher than your team members, your course grade will be raised to a certain extent.

DESCRIPTION OF EVALUATION COMPONENTS

**Individual Class Contribution**

As mentioned above, class contribution will play an integral role in how much learning takes place during the semester. Your contribution will be evaluated in terms of the value you add to class discussions. Both quality and quantity will be evaluated. This requires not only completing assigned readings but also coming to class with prepared questions and arguments regarding what the assigned reading has tried to convey. The most valuable contribution that students can make comes through integrating assigned readings with what you have learned from other courses with what you have experienced in the outside world. Comments or behavior that detract from the learning environment will have a significant and negative impact on your grade.

For Off-Campus Students, class contribution will also include your contributions to online case study discussions.
BUSINESS PLAN FINAL REPORT AND PRESENTATION

Business Plan
The final business plan that you turn in is likely to be lengthy, but should be no more than 40 pages long including text and exhibits. The text portion is to be no longer than 25 pages. You are to submit one high quality and five regular quality copies (for the judges) of the final business plan. The document should contain all information necessary for an investor to evaluate the business and its potential. You are a group of entrepreneurs starting your own business. As such, I expect that the work will be done solely by your group and with occasional assistance from either myself or from one of the Business School Faculty members.

Research for your business plan should extend beyond reliance on the Internet. There are numerous sources of market data available. When you do use data from an Internet source the source should be cited and should be a reliable, recognizable source of data. For example, using Fred’s Market Data would not be considered reliable. In contrast, using government census data would be considered reliable.

I strongly suggest that your team work on your exhibits first before starting to write. This will significantly reduce the time that it takes in bringing the plan together at the end. I suggest that these exhibits be as detailed as possible. For examples, see the plans that are available online.

Final Business Plan Presentations
Your group will provide a presentation of your business plan to the class during one of the final class sessions. The Professor will determine the length of these presentations. There may be additional judges invited at my discretion. The presentations are expected to be formal, as if you were presenting the business to a group of potential investors. As such, all students (including those not scheduled to present) are expected to dress in formal business attire. Should your group require audio/visual equipment, please inform me one week in advance.

Your entire group is expected to attend all presentations. No exceptions. Failure to attend will significantly affect your course grade.

NOTE: Your group should bring back up transparency slides for the presentation in case equipment does not work. Regardless of equipment failure your group will be required to present on its scheduled day and time.
PEER EVALUATION OF TEAM MEMBERS

Please use the following form to evaluate your fellow group members for the group case study analyses and business plan assignments. You should include yourself in the evaluation. Use this form as a worksheet and submit the online form when you are done:

<table>
<thead>
<tr>
<th>Team Member Name</th>
<th>Meetings</th>
<th>Quality and Quantity</th>
<th>Cooperation and Teamwork</th>
<th>Follow Through</th>
<th>TOTAL SCORE</th>
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**SCALES**

**Meetings:**
- 25 = Attended all meetings, arrived on time, stayed longer than the scheduled meeting time
- 20 = Attended most group meetings, arrived on time, stayed for length of time scheduled
- 10 = Attended some group meetings, and arrived late or left early on occasion
- 5 = Rarely attended meetings, and when attending arrived late or left early

**Quality and Quantity:**
- 25 = Continuously provided valuable input into the project and facilitated discussions
- 20 = Provided useful input most of the time, and was helpful in getting tasks accomplished
- 10 = Ideas were weak and input limited, performed only work assigned
- 5 = Contributed very little, if at all, to the paper.

**Cooperation:**
- 25 = Led the group in establishing a cooperative team environment
- 20 = Sometimes led the group, provided support for other team members on occasion
- 10 = Went along with whatever the rest of the group decided
- 5 = Created problems and was disruptive

**Follow-through:**
- 25 = Completed assigned work on time and error free
- 20 = Completed work on time with some changes required
- 10 = Required some prompting to complete assignments on time, several changes required
- 5 = Rarely completed assignments, work completed was often not useful
TERMINATION OF ONE OR MORE TEAM MEMBERS’ CONTRACTS

Due to the nature of the group work required in this class, there is the option that individual contracts with a particular group may be terminated at any time up to the last week of the semester. To terminate a contract, ALL other team members must agree with the termination and submit a signed statement describing why the contract has been terminated to Professor Shay and to the individual being dismissed. Individuals who are dismissed from their group have two choices: 1) complete a strategic plan and any other group work on their own, or 2) negotiate entrance into another group in the class.

Termination letters should first be presented to Professor Shay and should be in business language and style. Please see Professor Shay if you would like further details.
## MBA 694 Entrepreneurship – Fall 2001 Schedule

### Week 1: Week of October 15, 2001

#### Tuesday

**Topics**
- Course Overview
- Introduction to Entrepreneurship
- The Entrepreneurial Process

**Bygrave Text Readings**

Chapter: 1

#### Thursday

**Topics**
- Recognizing and Assessing Entrepreneurial Opportunities
- Conducting case analyses
- Abel’s Framework

**Bygrave Text Readings**

Chapter: 2

**Case studies**
Robin Hood – sent via email and available on Web – READ BEFORE CLASS

**Assignments**
Form teams and discuss business plan ideas

### Week 1: Weekend Sessions

**Meeting date and time:** Meeting only on the weekend in GBB 108

**Friday October 19th from 6:00-9:00**

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Topic</th>
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<tbody>
<tr>
<td>6:00-6:15</td>
<td>Student introductions</td>
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<tr>
<td>6:15-6:45</td>
<td>Selecting an entry strategy</td>
</tr>
<tr>
<td>6:45-7:45</td>
<td>Frog’s Leap Video Case Study</td>
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<tr>
<td>7:45-8:00</td>
<td>Break</td>
</tr>
<tr>
<td>8:00-8:30</td>
<td>Discuss Frog’s Leap</td>
</tr>
<tr>
<td>8:30-9:00</td>
<td>Teams present business plan ideas</td>
</tr>
</tbody>
</table>

**Topics**
Selecting an entry strategy

**Bygrave Text Readings**
Chapter 3

**Case studies**
Frog’s Leap Video Case study – shown in class

**Assignments**
Develop a one-page summary of the business that your team will pursue
Be prepared to discuss your team’s business plan idea with the class

**Saturday October 20th from 8:30 am – 4:30 pm**

**Schedule**
- 8:30-9:15 Venture Capital
- 9:15-10:00 Debt and Other Forms of Financing
- 10:00-10:30 Legal and Tax Issues
- 10:30-10:45 Break
- 10:45-11:00 External Analysis
- 11:00-11:45 Internal Analysis
- 11:45-12:45 Lunch
- 12:45-2:00 Discuss Big Sky Brewery Case Study
- 2:00-2:15 Break
- 2:15-3:00 Guest Speaker: Tom Swenson, President, Montana Business Capital Corp.
- 3:00-3:45 Guest Speaker: Thad Huse, Attorney, Baldassin and Associates
- 3:45-4:00 Break
- 4:00-4:45 Marketing Issues for Entrepreneurs

**Topics**
- Venture Capital
- Debt and Other Forms of Financing
- Legal and Tax Issues
- Marketing Issues for Entrepreneurs

**Bygrave Text Readings**
Chapters: 4, 7, 8, 10

**Case studies**
Big Sky Brewery – Distributed via email and available on Web site

**Assignments**
Come to class prepared with questions on the topics for our guest speakers
Analyze the Big Sky Brewery Case Study

**Sunday October 21st from 8:30 am – 12:30 pm**

**Schedule**
- 8:30-9:30 Developing a Successful Business Plan
- 9:30-10:30 Financial Projections
- 10:15-10:30 Break
10:30-11:00  Finding Financing Video
11:00-12:30  Workshop: Teams to discuss business plans with Professor Shay

**Topics**
Business Plans
Financial Projections

**Bygrave Text Readings**
Chapters: 5, 6

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**Week 3: Week of October 22, 2001**

**Tuesday**

**Topics**
Franchising as a form of Entrepreneurship
Harvesting your venture

**Bygrave Text Readings**
Chapters: 12, 14

**Thursday**

**Case studies**
Bagelz Case Study

**Assignments**
Prepare for a discussion of Bagelz Case Study. You should analyze the case study using Abel’s Framework, Porter’s Five Forces, E-O-R Framework, and the 3 M’s. Please bring transparencies of any exhibits that you would like to share with the class.

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**Week 4: Week of October 29, 2001**

**Tuesday**

**Topics**
Analyzing Entrepreneurial Ventures

**Case studies**
ClearVue

**Assignments**
Prepare for a discussion of ClearVue Case Study. You should analyze the case study using Abel’s Framework, Porter’s Five Forces, E-O-R Framework, and the 3 M’s. Please bring transparencies of any exhibits that you would like to share with the class.
Thursday
There is no scheduled class session. Teams will schedule a 30-minute session to discuss their business plan with Professor Shay. Teams should bring in a copy of exhibits that they have developed for the plan.

Week 5: Week of November 5, 2001

Tuesday
Topics:
Presenting your business plan

Teams will use the scheduled class time to exchange business plans with partner teams.

Assignments
Your assignment during the week is to provide feedback on their business plan as if you were a consultant. You should apply the tools that you have learned during the class and prepare at least a 3-page, single spaced critique of their plan. A copy of the critique should be given to your partner team and to Professor Shay. You may want to review the online lecture notes entitled “Presenting your business plan”.

Thursday
Teams will use the class session to meet with their partner teams to provide them with feedback on their plans and receive feedback.

Week 6: Week of November 12, 2001

Tuesday

Topics
Business Plan Presentations

Assignments
Business plan presentations – each team will provide a presentation to the class on their business plan and be prepared to answer questions. Presentations will be approximately 30 minutes in length.

Business plans are to be turned in at the beginning of class.

Thursday

Topics
Class wrap-up