

COURSE PROSPECTUS

I. PURPOSE OF THE COURSE

This course is about the management and building of small to mid-sized businesses into enduring great companies. By joining this class, I assume that you plan to become a key contributor to the further development of an existing, operating small to mid-sized company. It could be a company you start or help start, take over from a family member, join as a key employee, join as a top manager, consult to, or purchase. But, in any case, the assumption is that the company is past the initial start-up phase. We will therefore spend the bulk of our time on *building* the company issues, and substantially less time on the formation of new ventures. You'll be exposed to some of the practical realities, transition points, issues, and dilemmas that are particularly relevant to smaller companies. Additionally, you'll probably find the study of small to mid-sized companies to be an excellent way to practice most or all the business core skills encountered in your B.B.A. and M.B.A. Program.

The focus is on the concepts, skills, know-how, information, attitudes and alternatives that are relevant for early-stage entrepreneurs, small business/entrepreneurial managers and their relevant stakeholders. The goal is to help teach future entrepreneurs and small business managers, to use the entrepreneurial perspective in order to make better decisions, and thereby influence positively one's odds for success, and to minimize the odds – and costs – of blunder. My expectation is that you will enhance your capacity to envision, anticipate and orchestrate what has to happen in order for you to succeed. The second aim is to teach effective entrepreneurial and small business management practice from the perspectives of the founder, and the vital stakeholders that can make a substantial difference in the ultimate success or failure of the entrepreneurial process. We will build on the nature of the entrepreneurial organization; its volatility and flux, where standard operating procedures are lacking and organizational structure, culture and leadership style are created anew each day.

II. SUBJECT MATTER AND COURSE CONTENT

This course is designed to consider the critical role of opportunity creation and recognition, and the entrepreneur, as the principal success factors in new enterprise building. The course is especially relevant for aspiring entrepreneurs bent on launching and growing a business. The fundamental subject matter is the decisions owner-managers make in choosing opportunities, allocating resources, motivating employees, and maintaining control – while not stifling the innovative actions that cause a business to grow. This involves both functional problems and opportunities as they are encountered in growing businesses and special problems often faced by growing enterprises.

In examining issues and problems of a growing business, we will seek to achieve the following objectives:

1. Identify and determine what entrepreneurs need to know about the driving forces in small business success, in domestic and global economic environments.
2. Identify how successful entrepreneurs and investors create, find and differentiate profitable and durable opportunities from just “other good ideas”, and how opportunities evolve over time.
3. Evaluate and determine how successful entrepreneurs and investors create, build and preserve value for themselves, and others, in the creation and distribution of goods and services.

4. Identify and determine the necessary financial and non-financial resources available for small business ventures and identify the criteria used to screen and evaluate proposals, their attractiveness and risk, and how to obtain start-up, early growth and expansion capital.
5. Determine the critical planning tasks to be accomplished, the operating hurdles to be overcome during early growth, and the influence of political, social, legal and regulatory, environmental and technological issues has on success.
6. Apply small business marketing techniques to explain consumer behavior, identify product and service marketing strategies and evaluate competitive challenges.
7. Apply spreadsheet programs using a microcomputer to develop and analyze financial projections for small business ventures.
8. Identify the future consequences of decisions made by entrepreneurs at each point in time; options that are precluded or preserved; and the nastier minefields and pitfalls one has to anticipate, prepare for and respond to.
9. Determine decisions which can be made to increase the reward per unit of risk ratio at various stages of the company's development, and thereby change the odds.
10. Determine what are the important factors outside the control of the founders, and how critical and sensitive the impact of demographic diversity on human behavior in organizations.

III. COURSE MATERIALS AND TEACHING METHODS

The course utilizes mini-cases, video clips, films, lecture and research notes, readings and self-assessment to realize its objectives. The majority of the sessions require the analysis, application, and development of concepts through a video case situation. These case studies are, for the most part, drawn from real business situations which involve issues covered in the course. The breadth of the course is such that no one textbook covers the material; thus a number of articles and teaching notes are provided. Short lectures and examples, will be used to introduce and reinforce concepts and methods of analysis and to deal with problems in areas where cases incompletely cover the issues. Guest speakers are also used when appropriate. The video and filmed discussion cases are, however, the central vehicle for learning. They address the main objectives of each class session and the course.

Students are expected to prepare materials indicated on the schedule and to participate in its discussion in class. Consequently, class participation is a major factor in determining the student's grade in the course. Assignment questions are provided for all the classes. They are intended to help student teams think about the issues involved in case material but, by design, they lead to thinking and do not encompass all the issues involved or all the alternative solutions available. That is to say that we should not look for quick-hits or superficial comments, but rather, for insights and crispness. One of the most valuable aspects of the course will be for you to develop a habit of distilling the lessons and insights from the cases and our collective discussion. As the course progresses the cases and issues grow more complicated. They will require hard work, before and during class. Lack of preparation and active involvement carries a high cost in learning opportunities.

Not all of the course material chronicles success by any means, nor is there an underlying assumption that any one approach is "correct". Rather, the course presents students with a variety of people and situations from which they can extract general principles regarding the recurring issues and problems of entrepreneurs and entrepreneurial organizations.

ENT 364's aim is to contribute to the success of the entrepreneurial and/or creative venture by helping students to recognize – and anticipate these recurring issues; to improve their sensitivity to human and organizational factors in the entrepreneurial environment; and to enhance their ability to make effective decisions and to find resolution of these issues. As a concentrated dose of preventative medicine, the course encourages a pattern recognition approach to learning, whose objective is an internalized sense of how things should be done. This does not derive from intellectualizing or theory but is lived; it is not free of charge but comes primarily from extensive and often painful personal experience.

Because of the sequential nature of course material, there are great opportunities for you to test your own analytical skills and judgment, while also getting a firmer grip on your own risk-taking comfort zone. I won't conclude each discussion with a simple "three clear points" of what you should have learned. You will have many opportunities to test your analyses, judgment and decision making abilities to recognize opportunities and to figure out what has to happen in each situation – and as it changes – to create success and avoid fiasco. I also will frequently ask you to summarize the generic lessons ("check-out") that have emerged from our discussions and cases. It is your responsibility to cull those lessons and insights, and to reflect on what you would do and why, what can go right and wrong and what you need to anticipate and see before, rather than after the fact. As Mark Twain observed: "I was seldom able to see an opportunity, until it had ceased to be one!"

IV. ALL STUDENTS SHOULD HAVE A COPY OF THE PRESCRIBED TEXT

The textbook selected by your professor supports a combination of discussion/strategic exercise/case approach to the course. Cases have been selected so that a variety of specific issues and problems are delineated. The purpose of case analyses is to apply our knowledge and understanding to real world situations.

*** The principal course for the text is (ESBM assignments): Scarborough and Zimmerer, Effective Small Business Management, 9th Ed., Prentice Hall, 2009, (ISBN 13: 978-0-13-615270-5).

V. PREPARATION FOR CLASS

Place primary emphasis on thorough reading of the text chapters, assigned footstep issues and readings for each meeting.

COME PREPARED!

Budget adequate time for video case preparation. Most of the assigned material is comprehensive, covering many areas and issues. Hence, may require a significant amount of work to address all of the critical issues. There will be discussion question assignment sheets for each video case to aid your team in group discussion.

You will be expected to have identified and analyzed the core issues in the case, to have drawn conclusions and have a specific course of action ready to present and discuss. In class, we will focus on what you would actually do in a given situation, how you do it, and why you would do it.

Past student teams have found it to be a very critical and a good idea to come to class with a thoughtful, crisp summary of their answer to each study question; my “cold call” questions primarily (although not exclusively) follow those study questions.

Forming a Study Group and Exam Team

You will be organized into a study team and examination team for this course. The team will consist of at least four students. It is to your advantage to form your team with people you can work *and* who have complimentary skills. For example, if you are strong in finance, you might look for teammates with operations or marketing backgrounds. If you are good with numbers, you might seek out teammates who are good with organizational issues, etc. I’ve noticed that the best results tend to come from teams with a diverse mixture of talents, learning perspectives, and differing entrepreneurial leadership styles.

Class Attendance

Due to the subject of the course material, class attendance is an integral part of the learning experience. If you are unable or unwilling to regularly attend class due to work commitments, family responsibilities, duties as an officer or member of a student organization, lack of interest, or other extra-curricular student activity, you should withdraw from the course. Students will have 15 points deducted (two free attendance pass will be distributed) from their total points at the end of the semester for each class period missed.

Class Cancellation

A copy of UMKC’s Severe Weather Policy is on file in the Business Administration Office, Room 334, and may be obtained during regular business hours. (Also available on the UMKC Web Site.)

Working Together

Given the intensity of this course and the challenges you will have to overcome as a group, the quality of your experience can be dramatically affected by how effectively your group works together. Past students have found it worthwhile to discuss group expectations and objectives amongst themselves *early* in the term, and to invest time in conscious (team building) maintenance of the group throughout the term. The best exams tend to come out of groups that frequently discuss the group’s dynamics, asking the questions: “How are we doing as a group? Are there any problems with our functioning as a group that need attention?” Peer evaluations will be utilized to allocate group points at the end of the term.

A Note on Cold Calls

I will “cold call” a lot in this class – usually four or five times per session. I do this to keep the discussion alive and, most important, to give everyone (not just the outspoken students) a fair chance to demonstrate the quality of their thinking and to share their insights with the class.

I choose most of the people to call on by a process of random selection. (I roll the “dice”.) However, I also choose a few cold calls by personal discretion. Having been called one day is no guarantee that you will not be called on the next.

When you get called, *don’t panic*. Try to enjoy it. This should be a very good environment for testing your ideas and thoughts and for taking some risks. It is not my intention to humiliate or embarrass anyone. *If you are well prepared, you have absolutely nothing to worry about* – just relax and say exactly what, based on your preparation, you really think should be done, how you would do it and why.

Remember: I'm not looking for a specific "right" answer. I'm looking to facilitate a well thought out class discussion. Whether or not I entirely agree with your conclusion is irrelevant. In fact, there is usually a wide range of legitimate points of view on any given case. The quality and conviction of your argument is what counts. (Of course, that doesn't mean I won't challenge your position or play devil's advocate, even if I happen to agree with it. In fact, students who take positions that I happen to agree with often find themselves nicely challenged in class, as I'm intimately familiar with the flaws in my own thinking).

VI. ROLE OF THE INSTRUCTOR

I'm here as a resource, catalyst and a discussion facilitator and, also, a learner. I will strive to be highly prepared for each class and I expect each of you to do the same. I expect to learn as much from the term as you do, though the lessons will not be the same ones you gain. I will attempt to be simultaneously your most ardent supporter and your severest critic. It is my aim to raise some good questions about our discussions – and to encourage yours – rather than to provide 'all the answers.' While I do not believe 'wisdom can be told' I do believe there may be some know-how and insights I and classmates can share from time to time that may save some of us a lot of "future tuition" and avoid unnecessary accumulation of "scar tissue."

VII. EVALUATING YOUR PERFORMANCE

Other than the comments in my syllabus I have no magic here. As Winston Churchill noted, democracy is a pretty inefficient form of government. But it is better than the alternatives. You will note that your class contributions will account for fifty percent of your final grade. The reason why it is important is simply in my observation that perhaps 90-95% of the key decisions that take place in business are based on verbal analysis, discussion and action proposals, rather than on written memos, reports and proposals. Further, the heart of effective entrepreneurial management occurs face-to-face and verbally, not through written communication. More often than not it will be the oral arguments and dialogue that carry the final decision, rather than just what is written. The class is a wonderful, low risk setting to try out your ideas and your knack for real-time, mental and verbal agility. Even if you aren't always on target, never in your career will you pay cheaper tuition for being wrong, or for taking a calculated risk!

Perhaps the hardest part of this evaluation process is for me to assess your participation. I'll take into consideration several things: first are you there and, when called on, prepared? I typically make numerous cold calls throughout each class session to encourage listening, sharing and synthesizing and to draw upon individuals who can potentially contribute to the discussion and to our collective understanding. Secondly, how frequently did she or he contribute and what was the quality? How insightful were the comments? Did you build on the discussion to move it ahead or did it take us back or off track? Someone may speak frequently yet receive a low evaluation because his or her comments were not particularly insightful or were disruptive (i.e., totally unrelated to the current discussion). Finally, what has been your progress and growth over the term? There is a cumulative character to the course, with increasing complexity in cases, and enlarging beads and threads of knowledge, analytic tools and skills, and pattern recognition that weave the course together.

I assume each of you has as much to contribute as the rest, and that my evaluations are based on contributions rather than your familiarity with the territory. As always, there is an absolute level and amount of work you must accomplish, both in your discussion and analysis of cases for class, and the examinations. There is no substitute for accomplishing a lot of high quality work. I encourage effort and

reward results, but I also place a good deal of weight on relative progress and improvement over the term: without penalizing in any way a select few who may start out and sustain an outstanding effort. When I recognize growth and learning due to your strong personal effort I reward it. The key is in the spirit of my earlier comments on “building the collective wisdom” positive contributions toward the individual and class understanding. All forms of contribution are potentially valuable, including declarative statements and questions.

Finally, an equally important part of your contribution to the class is accepting your responsibility to help keep standards high. If you feel someone is off track, speak up. Think of it as being in a board meeting for a company in which you have personally invested \$50,000 and are a director. You would not sit and just roll your eyes or fume inside about a comment or line of thinking you thought was off base: you’d speak up. (I will hand out water pistols, if necessary!) If there are comments that are not well founded, or by someone whom everyone in class—except me – knows has not read the material it is your responsibility to speak up.

The “Yellow Flag” Challenge

Over the years, I have discovered some frustration among a few of my students who felt they had something significant to contribute in a particular case or discussion, but for some reason I didn’t get around to calling on their raised hand; I went on to other students instead, or moved on to a new topic. For this reason, each student is issued two “yellow flags”. If at any time during the term a student raises her or his hand with a yellow flag, I will call on him or her immediately. Students can use it to ask a question, to challenge a point, or to make a point of their own. Your yellow flag may be used at any time during a class session – during my lectures, during class discussion, and even during visits from guest speakers. After use, the yellow flag must be surrendered – with use record and signature. I’ve found that students never abuse their yellow flag privilege and can think of literally dozens of instances where the class benefited greatly from a student “throwing” his or her yellow flag.

Written Assignments:

All written assignments should be typed, double spaced with one-inch margins. Presentation, grammar and spelling are important elements of your paper grade. It is to your advantage to proofread carefully (if English is not your first language, you may wish for the proof reader to have that advantage). Be innovative in your approach to this class and these assignments.

All assignments must be submitted in a binder of your choice. Past experience has shown that given the volume of some of the papers and journals being turned in as part of the course, staples are not an adequate way to hold all of the papers together. No paper will be accepted or graded unless it is in a binder.

Late Assignments

All course assignments listed in the course schedule are collected on the due date. No assignment will be accepted late.

Test Conflicts

The examinations and presentations listed in the syllabus are given on their respective dates and times. No early, late or make-ups will be given. If you must miss the assignment, be sure your team is prepared and completely understands your part or input.

VIII. GRADING SUMMARY

Course Grading

Items	Point Value
A. Examinations: Mid Term Exam Final Exam	250 250 (500)
B. Class Projects: 1. Profile Assignment 2. Entrepreneurial Focus	150 50 (200)
C. Class Participation: Attendance Contribution (Bear Paws)	150 150 (300)
Total Available Course Point Value	<u>(1000)</u>

Course Grade Range: 90% Top Score: A 80% Top Score: B 70% Top Score: C

Note: Your professor reserves the right to assign “+” or “-” grade indications.

Grade Appeals: A copy of the Student Grade Appeal procedure is on file and can be obtained from the Administrative Assistant in the Division Office, Room 334, of the Bloch School.

ADA Policy: “If you have any questions, disability or desire accommodations under the Americans with Disabilities Act, please contact the Office of Disabled Student Services, 235-1083.”

B.1. Profile Assignment (Paper and Presentation)

Your team is to identify, interview and study a small business owner/operator and prepare a 30–40 minute presentation (50 points) for the class about the person and their enterprise. In addition, the written paper (100 points) on your entrepreneur should be based on field research that must include a personal interview with your entrepreneur. It should build on and include (ESBM) concepts that will be developed in this course and in any other business course you have taken. Criteria for evaluating it will include quality of its contents (and the quality of the thought that they reflect), application of course concepts and themes from the tests and class discussions, and thoroughness of the underlying research.

At a minimum, the following subjects should be developed in your analysis:

- Key elements in the entrepreneur’s personal history (Entrepreneurial Style)
- The circumstances that led the entrepreneur to develop an interest in the field
- The entrepreneur’s personality and personal attributes (Leadership Style)
- Identification of opportunities (Recognition)
- Vision of the niche to be occupied
- Vision of the type of organization needed to occupy the niche (Organizational Design)
- Difficulties encountered and means used to overcome them
- Present situation (Operating and Financial)
- Vision of the future (Growth Orientation, Harvest, etc.)

B.2. Entrepreneurial Focus (Presentation)

You will be expected to name your team after a famous entrepreneur (an “Energizer”). Research and prepare a 1-2 page handout for class and present a 20-30 minute account of the individual and her/his successful venture. Throughout the term, be prepared to comment on how your entrepreneur would have reacted or responded to issues under discussion.

Course Withdrawals

All course withdrawals must be initiated in the Bloch School Student Services Office, Room 115, and completed through the Registration Center in the Student Services Building. Students intending to withdraw from the course after the eighth week of class are required to obtain a signature of both the

instructor and an academic advisor before the course withdrawal is official. Telling the instructor that you intend to withdraw from the course or ceasing to attend class does not constitute official withdrawal from the course. The academic calendar in the class schedule registration guide lists the official withdrawal dates. Please discuss with your instructor the taking on an “Incomplete” (I) rather than dropping the class in the interest of preserving your investment.

IX. OUTSIDE CLASS

I welcome the chance to get to know as many of you as I can outside of class. I plan to be available before class each day and will make additional time available as needed. Do make an appointment through my assistant Bruce Kay (kayb@umkc.edu) 235-5417 in Bloch School, Room 411. I look forward to talking with you about any issue of substance regarding the course or your career plans, etc.

If you and I each accept the responsibilities implicit in these thoughts then I can easily commit to make this semester both rewarding and fun. Even better, if you put as much into it as I do, you can be very confident you will come away concluding what so many of your predecessors have: ENT 364/5535 is the best, or at least one of the two or three best courses, they have taken at HWB SBPA. I very much look forward to the term and to getting to know and work with you.

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