

ENT 327: CREATING THE NEW VENTURE - EXPERIENTIAL LEARNING

Spring 2011

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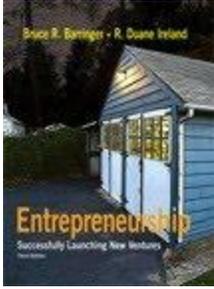
Office Hours: By appointment (email or call me)

Class Venue & Time: Bloch Room 101, Tuesday & Thursday 2:00 PM – 3:15 PM

COURSE DESCRIPTION AND LEARNING OBJECTIVES

This course guides students through the process, experiences, and requirements for creating a new venture and planning for operations up to the point of securing customers and generating first revenues. Key course actions include developing a business model, conducting a feasibility study, crafting a professional business plan and examining the initial steps for start-up and operational launch. The culmination of all these efforts should result in securing a first customer and making a first sale. Every team is required to have an online presence, typically in the form of a website. This course is the most hands-on course you will ever take in your academic program. Resourcefulness, energy, creativity, team and communication skills are prerequisites to succeed in this course. The class is designed so that students do most of the work required in class. I will provide you with some pointers on how to develop inexpensive websites.

Text book: Entrepreneurship: Successfully Launching New Ventures, CourseSmart eTextbook, 3/E



Bruce R. Barringer
Duane Ireland

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Please go to: <http://www.coursesmart.com> and search for the ISBN, select the downloadable e-book and check out/pay.

COURSE TENTATIVE SCHEDULE

Week 1

(January 11)

Course Overview

In this session I provide an overview of the content and the expected outcomes of the course. The deliverables in this course are the result of team work. Therefore it is useful to listen carefully to the student introductions as successful teams typically consist of individuals with complementary backgrounds and a shared passion and motivation to create something new.

In-class activity: Students introduce themselves: name, hometown, major, status in program, skill set, interest, and career plans. Students with prior entrepreneurial experience can tell their story.

(January 13)

The Context for Venture Creation & the Entrepreneur

In this session we discuss what an organization is and how organizations relate to their environmental context. The life cycle of ventures, personal motivations of entrepreneurs to initiate

ventures, types of stakeholders and the global context of new venture creation is elaborated upon.

Additionally we discuss in-depth who entrepreneurs are, their characteristics, motivations and how these individuals use means to accomplish well-defined ends.

Pre-class assignment: Start thinking about business ideas that you may exploit in the framework of this course. Required reading: Chapter 1 in CNV.

Week 2

(January 18)

Discovering Opportunities

This important session will discuss the process of discovering business opportunities. In addition to explaining three major approaches entrepreneurs use to identify opportunities, we highlight how environmental trends can be instrumental in creating business opportunities.

Pre-class assignment: Read Chapter 2 in CNV.

(January 20)

Business Idea Fair & Team assembly

In-class activity: Each student describes 5 business ideas. Subsequently, they will pitch each idea (60 seconds per idea) to the rest of the class. We rank all ideas and pick the top 3 or 4 ideas (based on perceived viability and interest) around which students form teams based on complementary skills and interest. Teams should comprise max. 3 students.

Week 3

(January 25)

Feasibility study

Feasibility analysis is the process of determining if a business idea is viable. Feasibility analysis has 4 distinct dimensions: Product/Service feasibility; Industry/Market feasibility; Organizational feasibility; Financial feasibility.

Students with prior entrepreneurial experience can give a short presentation on how they identified an opportunity, and subsequently tested the feasibility of that business opportunity.

Pre-class assignment: Read Chapter 3 in CNV and materials posted on Blackboard

(January 27)

Feasibility analysis of your business idea

In-class activity: Students will assess the feasibility of their business idea.

Week 4

(February 1)

Business Models

In this session we define what a business model is and what the different components of a business model are. Components that will be discussed in-depth are core strategy, strategic resources, partnership network, and the customer interface.

Pre-class assignment: Read Chapter 6 in CNV

(February 3)

Design your own Business Model

In-class activity: The different teams will start designing the first rough version of their business model. The resulting business models will be refined over the course of the semester.

Deliverable I due by email to the Instructor

Week 5

(February 8)

Building a New Venture Team

In this session we discuss the importance of a solid team at the time of founding. In addition, we will touch upon corporate governance issues in new ventures.

Pre-class assignment: Read Chapter 4 in CNV

(February 10)

Funding new ventures I – Venture Capital and other Equity instruments

This session will discuss the different sources of funding available for new ventures. More specifically, we discuss venture capital, funding from business angels, and private equity.

Pre-class assignment: Read Chapter 9 in CNV

Week 6

(February 15)

Funding new ventures II – Debt instruments and other funding mechanisms

This session will discuss the various debt instruments available to new and young ventures such as government-backed loans for small enterprises, and trade financing. Additionally, we look at alternative funding mechanism such as government grants and innovation prize monies.

Pre-class assignment: Read Chapter 9 in CNV

(February 17)

Legal and Ethical Foundations for New Ventures

In-Class activity: In this session we discuss how new ventures create a strong ethical culture, how one selects an attorney, the importance of non-compete and non-disclosure agreements and the choice of legal entity for the firm.

Pre-class Assignment: Read Chapter 8 in CNV

Week 7

(February 22)

Guest Speaker: TBD

Topic: TBD

Deliverable II due by email to Instructor

(February 24)

Business Model Presentations I

Week 8

(March 1)

Topic expert #1: Legal issues for new ventures

In this session we will focus on two key areas of importance to new ventures:

- Legal aspects: legal forms of organization and development of a term sheet- Professor Anthony Luppino, UMKC Law School

Pre-class assignment: Read Chapter 8 in CNV

(March 3)

Business Model Presentations II

Week 9

(March 8)

Topic expert #2: Making a First Sale; Mergers & Acquisitions

Dr. Joe Roetheli, serial entrepreneur and CEO at Key Companies & Assoc. (TBD)

Dr. Roetheli will discuss how he created his first successful company and how it was acquired by the Mars company. The emphasis will be on the entire entrepreneurial process, from opportunity recognition, through to opportunity exploitation, first sale, firm growth, and sale of the company.

(March 10)

Business Planning I

In this session we discuss the nature and purpose of business plans. We elaborate specifically on the marketing section of the overall plan.

Pre-class assignment: Read the materials posted on Blackboard. I will post some sample business plans so you have an idea of the expectations as regards to formatting, presentation, outline, and overall quality.

Week 10

(March 15)

Topic expert #3: Marketing strategies for new ventures

Ms. Christine Kemper of Kemper & Company (TBD)

Ms Kemper will focus on how new ventures can develop ‘their’ message they like to send to customers. The emphasis is on marketing communications

(March 17)

Business Planning II

In this session we discuss in-depth the financial section of the plan.

Pre-class assignment: Read Chapter 7 in CNV, along with the materials posted on Blackboard

Week 11

(March 22)

Business Planning III

In-class activity: In this session we discuss in-depth the financial/operations section of the plan. This and the previous sessions on Business Planning provide the knowledge for each team to start developing their own business plan.

(March 24)

Student Teams develop Marketing/Operations Plan

In-class activity: Student teams develop marketing/operations plans in class and continue to work on them outside of class if need be

Week 12

(March 29)

Spring Break

(March 31)

Spring Break

Week 13

(April 5)

Student Teams develop Financial Plan

In-class activity: Student teams develop financial plans in class and continue to work on them outside of class if need be

(April 7)

Growth Strategies for New Ventures

In-class activity: In this session, we discuss ways new ventures can grow as a growth strategy is required by early investors.

Deliverable III due: 3 page summary by email to instructor

Week 14

(April 12)

Student Teams fine-tune business plans in class

(April 14)

Student Teams fine tune business plans in class

Week 15

(April 19)

Business Development activities

In-class activities: Student teams report on their business development activities and progress to identify a first customer and make a first sale

(April 21)

Business Plan Presentations Part I

In-class activity: Students make a full dress rehearsal presentation of their business plan (max. 15 minutes) with 5 minutes Q&A after each presentation.

(April 22)

Deliverable IV due by email to Venture Creation Challenge

Week 16

(April 26)

Business Plan Presentations Part II

In-class activity: Students make a full dress rehearsal presentation of their business plan (max. 15 minutes) with 5 minutes Q&A after each presentation.

(April 28)

Pizza & Drinks

(April 29)

2011 Regnier Family Venture Creation Challenge in Student Union Center

Deliverables

1. *Deliverable I: Feasibility study:* Max 10 double-spaced pages. Use the template provided to you and posted on Blackboard. Due on Feb 3 by email.
2. *Deliverable II: Business Model:* Max 10 double-spaced pages. Use the components of a business model as described in Chapter 6 in your textbook. Due on Feb 22 by email.
3. *Deliverable III:* 3 page executive summary of your proposed business due on April 10 by email
4. *Deliverable IV: Business Plan:* Max 25 double-spaced pages. Due on April 22 by email.

All teams are required to participate in the Venture Challenge Competition on April 29, 2011.

Grading Policy

Evaluations will be based upon the following components weighted as indicated:

- Class Participation: 20%
- Course Project: Feasibility study and Business model report: 20%
- Course Project: Business Plan: 40 %

- Setting up a website, making the first sale: 20 %

Business ideas

The concept and range of business ideas is very broad in this course. There are no requirements as to whether this business idea can be implemented by way of a product or service. It can be simple or complex, low-tech or high tech. I would recommend you to stick to products or services that provide a key sustainable competitive advantage and that can fill an underserved need in the market.

Examples include:

- online Giftstore
- Specialized apparel
- Services for students
- Services for the elderly
- Selling existing goods over E-bay at a profit
- Etc.

Academic Honesty

All of us are expected to adhere to ethical standards regarding honesty in classes. These are set out at: <http://www.umkc.edu/umkc/catalog/html/append/policy/0020.html>