

MG 102
Management and Entrepreneurship
LSE-PKU Summer School Programme 2007
13 August – 24 August

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Web Site:

<http://www.business.umt.edu/faculty/shay/class/LSEentrepreneurshipdefault.htm>

COURSE DESCRIPTION

This course is designed to provide students with the knowledge, skills, and abilities necessary to plan, finance, develop and operate a new business venture. Through the analysis of case studies on entrepreneurial ventures and writing their own business plan screening guide, students learn how to assess the attributes of entrepreneurs, determine the attractiveness of new venture opportunities, and gather the resources necessary to convert a viable opportunity into an entrepreneurial venture.

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, 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 course is for student teams of four to five students to develop a business plan for a new business venture of their choice. 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. Business plans are to roughly **30-40 pages**, including text, financials, 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). Several of Dr. Shay's former students have started successful businesses and won business plan competitions. 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.

COURSE STRUCTURE

Lecture sessions will be based on content from the textbook, discussion of case studies, as well as discussion of video case studies presented in lecture sessions. Class sessions will be devoted to analysis of case material, development of business plans, and will provide the opportunity for a higher level of interaction with the Professor and Class Teacher.

READINGS, CASES, AND EXERCISES

Required texts:

#1: The Portable MBA in Entrepreneurship, 3rd Edition, by William Bygrave and Andrew Zacharakis (ISBN: 0-471-27154-3)

#2: Business Plans that Work, by Jeffrey Timmons, Andrew Zacharakis, and Stephen Spinelli (ISBN: 0-07-141287-5)

In addition to readings from the text, students will also be completing a series of additional case readings and exercises. A course packet will be sold to students through the Summer School Office. The course packet consists of case studies, lecture notes, exercises, and other information.

STUDENT EVALUATION

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

<u>Components</u>	<u>Point value per assignment</u>
<i>Individual:</i>	
Final Exam	20
Peer evaluation of your contribution to work	20
<i>Group:</i>	
Group business plan	45
Group business plan presentation	<u>15</u>
TOTAL Points	100

Note: Individual student's contributions to class and case discussions will be taken into consideration for final grading. Attendance and class behavior will also be considered for final grades.

DESCRIPTION OF EVALUATION COMPONENTS

Class contribution

Class contribution will play an integral role in how much learning takes place during this course. Class contribution will be evaluated in terms of the quantity and quality of your contribution to class discussions. 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.

Final Exam

The Final Exam will consist of a series of short essay questions. These questions will assess your understanding of the key models, concepts, and theories used in the course. This includes Abel's Framework, E-O-R Model, 3 M's, Porter's Macro-Environmental Forces, Porter's Five Forces, Generic Building Blocks of Competitive Advantage, and any others that we discuss. Many of the questions will relate directly to the case studies we have discussed in the course. Therefore, you should study the models and be able to apply them in detail to the case studies for the course. **The**

best way to study for the test is to apply the models that you learn to the cases and your business plan. If you know how to apply the models then you'll do fine on the test.

Peer evaluation of your work

Each student will complete a peer evaluation of his/her team member's performance on the group work for the course. The students will use the form in this syllabus for making such evaluations and will submit them to Professor Shay on the final day of class.

Business Plan

The final business plan that you turn in is likely to be lengthy, but should be between 30-40 pages long including text and exhibits. The text portion is to be no longer than 20 pages single spaced. You are to **submit one high quality and one low quality copy of the final business plan**. The high quality copy will be kept by Professor Shay and the low quality copy will be used for grading purposes. The document should contain all information necessary for an investor to evaluate the business and the business's 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.

Research for your business plan will rely heavily on online web sources. Be sure that you begin the research process as soon as possible. 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.

Presentations (last lecture and class session)

Your group will provide a presentation of your business plan to the class during one of the final three class sessions. You will have approximately 10-15 minutes (depending on the number of groups in the class) for your presentation, followed by 5 minutes of questions and answers. The presentations are expected to be formal, as if you were presenting the business to a group of potential investors. The order of presentations will be determined on that day. Attendance is required for all presentations.

SELECTING YOUR TEAM MEMBERS

Forming a strong team is central to successful entrepreneurial ventures. Forming such a team for this class is also very important. Selecting individuals with whom you will work during the semester is a key part in this class. **Your decision should not be made lightly**. Although getting along with the other members of your team is important, for the assignments are required to do in this class it is much more important that you select team members with a wide range of skills and abilities. I will provide ample time during class for you to assess who will be a member of your team. Each team, once established, will turn in a sheet of paper listing the members of and a name for your team.

Name: _____

Email address: _____

PEER EVALUATION OF TEAM MEMBERS

Please complete the following form online to evaluate your fellow group members for the group case study analyses and business plan assignments. You should include yourself in the evaluation:

NAMES Last, First	Meetings	Quality and Quantity	Cooperation and Teamwork	Follow Through	TOTAL	Grade

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, Quantity, and Preparation (i.e., did readings and understands material):

- 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

Grade: In the final column please provide a grade that you would give each team member based on the other four areas of evaluation. An “A” for excellent work, an “F” for failing work.

Tentative Schedule: Please note all readings and assignments are to be completed before lecture and class meetings
 B&Z = Textbook by Bygrave and Zacharakis

WEEK 1

<u>Monday</u> <u>August 13</u>	<u>Tuesday</u> <u>August 14</u>	<u>Wednesday</u> <u>August 15</u>	<u>Thursday</u> <u>August 16</u>	<u>Friday</u> <u>August 17</u>
<p>Lecture: 8:30-12:30 <u>Agenda</u> Course overview Defining your business – simplified model Business and Revenue Models Macro-environmental forces</p>	<p>Lecture: 8:30-12:30 <u>Agenda</u> Entrepreneurial Process Opportunity Recognition Porter’s Five Forces New Business Ideas</p>	<p>Lecture: 8:30-12:30 <u>Agenda</u> Entrepreneurial Marketing Teams announce business plan ideas Value Chain Analysis</p>	<p>Lecture: 8:30-12:30 <u>Agenda</u> Writing a business plan Market Entry Financial Statements Shay’s Integrated Model Video: Marketing and Sales</p>	<p>Lecture: 8:30-12:30 <u>Agenda</u> Venture Capital Debt & other forms of Capital Video: Financing ventures</p>
<p>Class: 13:30-15:30 <u>Agenda</u> Business ideas – students share ideas with class Getting to know possible team members</p>	<p>Class: 13:30-15:30 <u>Agenda</u> Discuss Scott Tomkins case Form teams and brainstorm business ideas.</p>	<p>Class: 13:30-15:30 <u>Agenda</u> Discuss ClearVue case Discuss business plan ideas in group sessions</p>	<p>Class: 13:30-15:30 <u>Agenda</u> Discuss PowerWater case Team meetings in class with Dr. Shay</p>	<p>Class: 13:30-15:30 <u>Agenda</u> Discuss Big Sky Brewing case study and discuss business plans</p>
<p>B&Z Reading: none</p>	<p>B&Z Reading: Chapter 1, 2 Packet reading: Article beginning with “Remote Environment”, and “Finding the right idea”, and “Examples of Business Plan Ideas”</p>	<p>B&Z Reading: Chapter 3</p>	<p>B&Z Reading: Chapter 4, 5</p>	<p>B&Z Reading: Chapter 6, 7</p>
<p>Case reading: none</p>	<p>Case reading: none</p>	<p>Case reading: ClearVue</p>	<p>Case reading: PowerWater</p>	<p>Case reading: Big Sky Brewing</p>
<p>Assignments due: none</p>	<p>Case reading: Scott Tomkins Assignments due: analyze and discuss case; continue developing business ideas</p>	<p>Assignments due: analyze and discuss case; teams submit a list of all the businesses that team members are interested in.</p>	<p>Assignments due: analyze and discuss case; teams submit 1-page summary of their business idea</p>	<p>Assignments due: analyze and discuss case</p>

WEEK 2

<p align="center">Monday August 20</p>	<p align="center">Tuesday August 21</p>	<p align="center">Wednesday August 22</p>	<p align="center">Thursday August 23</p>	<p align="center">Friday August 24</p>
<p>Lecture: 8:30-12:30 <u>Agenda</u> Legal and Tax Issues Video: Sign of the Whale Managing a Growing business</p> <p>Class: 13:30-15:30 <u>Agenda</u> Review for exam Video: Frog's Leap</p> <p>B&Z Reading: Chapter 9, 13</p> <p>Case reading: none</p> <p>Assignments due: turn in a two page executive summary and all analytical models completed to this point to Dr. Shay</p>	<p>Lecture: 8:30-12:30 <u>Agenda</u> Harvesting your business The Deal: Valuation, structure, and negotiation Discuss new business ideas that you have developed during the course</p> <p>Class: 13:30-15:30 <u>Agenda</u> FINAL EXAM</p> <p>B&Z Reading: Chapter 14</p> <p>Case reading: none</p> <p>Assignments due: study for exam, write down new business ideas that you have developed and prepare to discuss them in lecture</p>	<p>Lecture: 8:30-12:30 <u>Agenda</u> Franchising Discuss Bagelz case study Presenting your business plan and video examples</p> <p>Class: 13:30-15:30 <u>Agenda</u> Afternoon devoted to working on business plan. Meetings can be arranged with Dr. Shay upon request.</p> <p>B&Z Reading: Chapter 11 Packet reading: Art of the Pitch</p> <p>Case reading: Bagelz</p> <p>Assignments due: analyze and discuss case</p>	<p>Lecture: No Lecture <u>Agenda</u> Day devoted to finishing up business plan Dr. Shay will hold office hours all day for meetings with teams at his hotel lobby (details provided in class)</p> <p>Class: No class <u>Agenda</u> Day devoted to finishing up business plan</p> <p>Assignments due: none due...set up appointment with Dr. Shay if needed</p> <p>You may also choose to make arrangements to exchange your plan with another team for them to review.</p>	<p>Lecture: 8:30-12:30 <u>Agenda</u> Business Plan presentations</p> <p>Class: 13:30-15:30 <u>Agenda</u> Business Plan presentations Closing remarks</p> <p>B&Z Reading: none</p> <p>Case reading: none</p> <p>Assignments due: Peer Evaluations, Business Plan and Business Plan Presentations due at the beginning of Lecture session</p>

Note: All students should plan to stay on campus to work with teams until 17:00-18:00 each day!!!