MBA 694 Entrepreneurship

University of Montana
School of Business Administration
MBA 694 Section 01

Readings:
Required
Bygrave and Zacharakis, The Portable MBA in Entrepreneurship, Fourth Edition

Articles and cases as listed. Available on Moodle and listed links

Recommended
Business Plans that Work (amazon.com)
Kim and Mauborno Blue Ocean Strategy

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 and contribute.

COURSE OVERVIEW
This course is designed to provide students with the knowledge, skills, and abilities necessary to plan, finance, develop and operate 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. Each student group is expected to enter their plan in the Ruffatto Business Plan Competition which takes place in May.

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.
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The main project for the semester is for **student teams of no more than four students** to develop a business plan for their own new business venture. Each team member is required to generate ideas for a new venture. Each member then presents his or her ideas to the rest of the class. From the ideas generated the class will decide on the best ideas. These ideas will become the businesses that become the focus of the business plan effort for each team. The team will then write a business plan over the course of the semester. Business plans are to be no longer than **25 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 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.

**OTHER ENTREPRENEURSHIP OPPORTUNITIES**

**Opportunity #1 - University of Montana’s John Ruffatto Business Plan Competition:** The John Ruffatto Business Plan Competition was founded in 1990 and has become one of the premier entrepreneurial events in the state. Each May, the event attracts approximately 20 teams from college programs around the state to compete in the daylong event. The top 4 teams present their plans to an audience of more than 225 business leaders, academicians, and students. The competition's distinguished judges and the audience submit their votes following the evening presentations and awards are given to all four teams that made the final cut. In the past three years, SOBA has been able to increase the total prize money from $3,000 to $30,000 as well as to raise the funds necessary to ensure that students traveling to Missoula for the event are provided with scholarships to cover their transportation and lodging. This year the prize money will total more than $30,000.

All of these seminars are held during the first four weekends of the spring semester. Look to the spring schedule for details.

**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 preparation, 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.

GRADING FOR ENTREPRENEURSHIP:

<table>
<thead>
<tr>
<th>COMPONENTS</th>
<th>PERCENTAGE OF FINAL GRADE</th>
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</thead>
<tbody>
<tr>
<td>Individual:</td>
<td></td>
</tr>
<tr>
<td>Class contribution</td>
<td>20%</td>
</tr>
<tr>
<td>Peer evaluation of your work</td>
<td>30%</td>
</tr>
<tr>
<td>Group:</td>
<td></td>
</tr>
<tr>
<td>Business Plan (written)</td>
<td>30%</td>
</tr>
<tr>
<td>Business Plan Presentation</td>
<td>20%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
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Note: An intricate instrument has been developed for assessing your class contribution and peer evaluation scores. Be sure to complete the form at the end of the semester. You must complete the evaluation and submit it by the due date in order for your input to count.

DESCRIPTION OF EVALUATION COMPONENTS

Class contribution

Individual

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 behaviors that detract from the learning environment will have a significant and negative impact on your grade.
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Group
For each case study your team should complete two or more of the following analytical models:

1. Models: E-O-R, 3 M's, Porter’s Five Forces Your team should decide which is appropriate.

2. Strategic alternatives and implementation plan

Your group is required to prepare detailed exhibits for each case study. I’d suggest that your team should prepare a minimum of three analytical models for each case in order to be competitive with other teams in the class. These analytical models should make a significant contribution to the discussion and demonstrate a high degree of analytical thought. You should be as detailed as possible. I suggest looking at the analytical models from past business plans that are posted on Blackboard. These exhibits are to be submitted via email to don.gaumer@business.umt.edu. Your submissions should be made in PowerPoint with the file name in the following format: last name case name.ppt. For example, if I submitted exhibits for the Big Sky case study, it would be: Gaumer_bigsky.ppt. This format allows me to access the files easier for use in class discussions.

Your team is responsible for turning in a hard copy portfolio of these exhibits at the end of the semester.

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 25 pages long including text and exhibits. The text portion is to be no longer than 20 pages. You are to submit one high quality copy, one regular copy for grading, and one electronic copy in PDF format for my records. 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 me 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.

Final Business Plan Presentations
Your group will provide a presentation of your business plan to the class during one of the final class sessions. I will determine the length of these presentations. 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.
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.

**EXPECTATIONS FOR WRITTEN ASSIGNMENTS**

Your success in the business world will depend, to a large extent, on your ability to communicate. Courses during your first few years at the Business School provided the opportunity to hone your written and oral communication skills. This course will provide you with the opportunity to develop further both of these skills. You will be required to make a formal presentation to your classmates and possibly some external judges at the end of the semester and try to convince them of the strength of your business plan. You will also be required to submit several written business reports, including a comprehensive business plan. The purpose of this section is to help you with your written assignments by providing a number of helpful suggestions as well as outlining my expectations.

**Substance:** You should substantiate what you are trying to convey with facts and data. In most cases, you will be asking the reader of your business report to commit substantial resources--financial, human, or physical--to a project. The decision-maker will not make the decision because you think is a good concept. Rather, you will need to convince the reader by providing hard facts and data with appropriate citations. Your rationale and reasoning should be explained logically and clearly. Effective business reports are not documents put together at the last minute—they take time to develop.

**Style:** The style of your business reports should be clear, concise, and to the point. The executive reading the report does not want to be entertained. He or she wants the information necessary to make a decision. Avoid flowery language with lots of adjectives and adverbs. Don't use the term "big nail" if the word "spike" more accurately conveys the idea. I have high expectations. If you want to excel in the business world you should too.

**Outline:** Most word processing software includes an outlining function. Use it. Begin your business reports by developing an outline to organize your thoughts and the concepts you are trying to convey. The more comprehensive and detailed your outline, the easier it will be to write the report.

**Proofread:** Carefully proofread each draft of the report. You will probably need three or four drafts before you are satisfied with the report.

**Exhibits/Appendices:** I do not expect to receive exhibits or appendices with your handwriting on them. Instead, you should have typed exhibit numbers. This includes copying exhibits from other sources. Unless you are using a photograph that cannot be reproduced in PowerPoint, I expect you to make models, charts, and spreadsheets on your own. This takes time but it is all part of being professional.
Due dates: Reports are due on the dates assigned and at the start of our business meetings. Late reports will have the grade lowered by one full grade. Late case study analyses will not be accepted and will receive a grade of zero.

Grading: Written work will be graded as if I were an executive trying to make a business decision based upon the written report. Grading will be competitive. That is, your work will be graded relative to those turned in by your classmates. Proper spelling, syntax, grammar, punctuation, bibliography, citations, footnotes, and professional appearance are expected. Your grade may be lowered as much as two full letter grades if these areas are lacking.

Reviewing papers: My policy is not to review student papers before they are turned in for grading. I am, however, willing to discuss the logical reasoning and proposed content of your reports. Before visiting my office you should have made significant progress and should be well prepared.

Plagiarism: Don’t do it. I have no mercy. Plagiarism includes taking exhibits from books without giving credit and taking any exhibit from another group.

BUSINESS PLAN TEAMS
All teams will be formed during the first weekend of the Entrepreneurship class. There will be too much work for single member teams. Two members is the very minimum sized team and four are recommended.

PEER EVALUATION OF TEAM MEMBERS
The Peer Evaluation Form is provided on Blackboard. I strongly suggest that you check these forms out early in the semester so that you fully understand the criterion on which you will be evaluated.

In addition, this form asks that you evaluate your own contribution to the class and the contribution that your team members made to the class as well. I will use these grades along with my own to evaluate the class contribution of each student.