

USC Marshall

School of Business
*Lloyd Greif Center for
Entrepreneurial Studies*

BAEP 552: Feasibility Analysis
Wednesday 6:30 p.m. to 9:30 p.m.
JKP 102

Fall 2016 SYLLABUS

Version 1.0

BAEP 552 is a three-unit entrepreneur course for graduate students. Successful completion of BAEP 550, 551 or GSBA 586 or is required.

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Individual appointments – I am happy to schedule an individual meeting with you. Please speak with me during class or contact me either by mobile phone or email to schedule.

PURPOSE:

This course provides students with an insight as to how entrepreneurs and corporate entrepreneurs (collectively, “entrepreneurs”) think. Entrepreneurs are not risk takers—they are risk managers. Feasibility Analysis is the process by which they assess and manage risk. Feasibility Analysis is a combination of first taking an idea and turning it into a business concept. That concept is then tested to assess the **market risks**, the **distribution risks**, the **perceived value of the customer benefits**, the **proof of product/service risks**, the **user risks**, the **location risks**, the **technology risks**, the **geography risks** and finally the **financial risks**. Inherent in any new venture analysis are the **people resources** required and their availability.

The Entrepreneur Program encourages students to approach this course by using it as background for becoming an entrepreneur or, in their own career choices, to be able to deal **with the recognition, evaluation and exploitation of opportunities in on-going companies large and small**. Our primary goal is to help you create a successful venture or to become part of the entrepreneurial team managing an emerging business.

Understanding the structure of starting and growing a company is an all-encompassing format for understanding an entrepreneurial career. It touches all the relevant issues—but there is more to entrepreneurship than passion, desire, and perseverance. Entrepreneurs have a unique mindset, a way of looking at things that are opportunity-focused and creative. It is about passion—doing what you love. It is about creating value. It is about independence and responsibility. In addition, it is about challenge, risk management, persistence, and the ability to innovate—to improve on the old or invent the new while creating customer value. It is our hope that this course will not only provide you with the entrepreneur’s toolkit, but it will also foster this entrepreneurial mindset within you.

Entrepreneurship is not about a single person and it is not about creating an entity from scratch. Entrepreneurship extends its reach to all forms and type of individuals and companies who seek to create value—regardless of whether it is a life style business or an international conglomerate.

This is not a “spectator” course. You will be actively researching, testing and crafting a comprehensive Feasibility Analysis based upon an initial business concept of your choosing. Your Feasibility Analysis may either explore the launch of a new business entity or the launch of a new business entity distinct from an existing corporate entity that leverages the corporate entity’s assets, market position, capabilities or other resources. Consequently, you are required to undertake a significant amount of work outside of class. By taking this course, you are agreeing to complete all of the assignments in a timely fashion without excuse. By taking this course, you are setting your entrepreneurial journey in motion.

This course is the essence of The USC Entrepreneur Program.

To accomplish this goal, the course is divided into several major themes:

1. Introduction: What is feasibility? How is it practiced? Entrepreneurial thinking.
2. Industry Knowledge: The first critical step.
3. Market Assessment: Knowing the customer.
4. Distribution: How to get to the customer and how to deliver a customer benefit.
5. Benefit Assessment: Benefits vs. features. What drives customers to buy from YOU?
6. People Resources: Going from “me” to “we.”
7. Proof of Product or Service: Delivering on the promise. It does what you say it does.
8. Location, Geography and Governmental Assessment: Enablers and showstoppers.
9. Financial Assessment: Does it make “cents?” It’s always about the money.

SEMESTER PROJECTS:

There are two major and nine minor projects to be completed during the semester as well as writing a comprehensive Final Feasibility Analysis and a Strangers’ Log. You will also participate in a pitch contest judged by angels. These exercises are most meaningful if engaged as real world feasibility analysis. **Projects may be done individually or in teams of no more than three (3) students.** Team projects receive a single grade for all submitted assignments, including the Final Feasibility Analysis. However, team members will be individually assessed for participation, bonus presentations, concept pitch and the final pitch contest. ***Each team member must individually pitch his or her concept.***

This class is highly structured but will change if faculty discerns that students or conditions indicate the need to change. Student desires and backgrounds are considered. Special projects are encouraged, upon approval. Your expectations are important!

All PROJECTS are presented in the class schedule. When the project is listed in ALL CAPITALS that is the date when it is due.

EXCEPT FOR THE FINAL FEASIBILITY ANALYSIS, LATE WORK WILL LOSE 10% of the POINTS for **each week** it is late. After the third week, you will not receive faculty feedback. **Please submit all assignments in hard copy in class and to Blackboard prior to class.** Outstanding and past due assignments **must be submitted individually** by no later than November 30, 2016 by 6:29 pm in order to receive credit.

FINAL FEASIBILITY ANALYSIS LATE PENALTY. A different and separate penalty schedule applies to the Final Feasibility Analysis as follows: **The Final Feasibility Analysis in hard copy is due in class by 6:30 p.m. on November 30.** A 5% penalty of your grade will be deducted for your Analysis submitted after 6:45 p.m. on the day the Analysis is due. **An additional 5% daily penalty** will apply for **each day** thereafter until your Analysis is submitted in hard copy (and recorded by Greif Center staff) at the Greif Center. Your Analysis must also be posted to Blackboard.

RESEARCH ASSIGNMENTS and CLASS PROJECTS:

Entrepreneurship is a highly personal and competitive process; students will be required to show high involvement and input. These twin goals are accomplished by the nature of the work assigned and the projects conducted.

Entrepreneurship is not a 'seat-of-the-pants' game. Feasibility analyses (pre-start) and subsequent business Analysis (business execution) should reflect careful research, require thoughtful writing and will take a great deal of your time.

This course is very robust and begins with the assumption that you have chosen to make this journey. Each week there will be an assignment that will be most meaningful and educational if you place yourself in the position of an entrepreneur about to conduct feasibility on launching a venture. Balance has been struck in the scheduling and grading of assignments.

GUESTS:

From time to time we will have guests. You are expected to greet them at the beginning of class. They will be prompt. We never wish to have late arrivals but especially so when we have guests. Please also check with us about availability for office hours just before our speakers' dates.

ACADEMIC STANDARDS AND DISABILITY ACCOMODATIONS:

The University community consisting of faculty, students and administration is dedicated to high ethical standards. Every person at USC has an inherent responsibility to uphold the principles of academic integrity. Students are expected to understand the Academic Integrity guidelines in *SCampus*.

Any student requesting academic accommodations based on a physical, psychological or learning disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to us as early in the semester as possible (by the second week of the semester). DSP is located in STU 301 and is open from 8:30 AM to 5 PM, Monday through Friday. The telephone number for DSP is (213) 740-0776.

COURSE READER:

The Course Reader will be available in digital form to save you money. It should be available soon. Here are the instructions:

Directions to Purchase Course Materials

NOTE: Please be sure you are permanently enrolled in the class before purchasing.

There are **NO REFUNDS** on course readers.

To purchase your course reader online, please follow these instructions:

- Go to https://www.universitycustompublishing.com/catalog/login.php?school_id=1
- Click on "Place an order"
- If you are a new customer, click Continue and fill out the required information
- If you are a returning customer, log-in with your E-mail address and password and click Sign-in
- Once on the main page, select the term and click on the DEPT from the "AREAS" section

Options:

- Purchase EZ-Digital Reader or EZ-Hard Copy Reader (all options may not be available)
- **EZ-Digital Reader** – Students download a PDF of all the course reader readings for the course.
- **EZ-Hard Copy Reader** is a spiral bound collection of the printed articles for the course. If you choose this option, you will also be given access to download a PDF file so that you will have access to your materials for the first 15% of the reader. This will ensure that you can start reading your material while your reader is being shipped. Click "Buy Now!"
- Click "Add to Cart"
- Verify your contents and click "Checkout"
- Choose your preferred method if purchasing an EZ-Reader: Home Delivery, Express Saver, 2 Day Air, or Pickup, in which we will hold it for you at the bookstore and notify you when it's ready to be picked up.
- Fill in your credit card information; if your billing address is different from your mailing address, click on "Change Address"; click on "Continue"
- To view your purchase, click on "My Account"
- To start downloading your content, click on the corresponding red Adobe icon, where you will be able to download, view, save, and print your material.

****Keep the following in mind****

- Each time you download a file, you will be instructed to input your password.
- It is advised to save each file on your computer

If you need further assistance or have any questions, please contact us at 800.934.9313 or info@ucpreaders.com

COURSE DESCRIPTION:

This course entails the development of analytical and conceptual skills required to test the feasibility of a business concept in the market. It requires students to undertake primary field research, develop and think critically about a business concept, answer fundamental questions about strategic, marketing, financial, operational, and human resource issues. Consequently, the course workload is quite heavy – but it is YOUR work.

COURSE PREREQUISITES:

Students should have taken BAEP 550, 551 or the MBA Core GSBA 586/MBA-PM pre-fall entrepreneurship course. Any exceptions are within the discretion of the professor.

LEARNING OBJECTIVES:

In broad terms, the following activities are (Essential, Important, Minor) for this course:

- Important** Gaining factual knowledge (terminology, classifications, trends)
- Important** Learning fundamental principles, generalizations, or theories
- Essential** Learning to apply course materials (to improve thinking, problem solving, and decisions)
- Important** Developing specific skills, competencies, and points of view needed by professionals in the field most closely related to this course
- Important** Acquiring skills in working with others as a member of a team
- Minor** Developing creative capacities (writing, inventing, designing, performing in art, music, drama, etc.)
- Minor** Gaining a broader understanding and appreciation of intellectual/cultural activity (music, science, literature, etc.)
- Important** Developing skill in expressing oneself orally and in writing
- Important** Learning how to find and use resources for answering questions or solving problems
- Important** Developing a clearer understanding of, and commitment to, personal values

PARTICIPATION AND CLASS ASSIGNMENTS:

CLASS ATTENDANCE: The entrepreneur program is a real life experience and as such expects real world professionals. The motto is *"treat each other as you would a customer."* Therefore, tardiness and absences without notice are not acceptable. If you have a customer meeting, you will be on time. If you cannot be on time, you will call well in advance. Similar etiquette is required in this program.

MBA PROGRAM POLICY GOVERNING NON-MARSHALL EVENTS THAT CONFLICT WITH CLASSES AND REQUIRED ACADEMIC ACTIVITIES:

Attendance at all classes and required MBA Program and Career Resource Center activities is expected of every Marshall MBA student. However, there are times during the academic year when external (non-Marshall) events and activities conflict with regularly scheduled classes and academic requirements.

The MBA Program Office and the CRC use their influence to minimize (if not eliminate) these conflicts, especially those that attract a substantial number of students. Despite the efforts of the Program Office and CRC, there are times throughout the year when the scheduling of the external events is beyond the influence of the Program Office and CRC and it is not possible to avoid a conflict.

MANAGING CONFLICTS

The Program Office and CRC will identify, as far in advance as possible and to the best of their ability, the dates of external events and activities that draw a significant number of students. The Program Office will work with the departments and individual faculty to make adjustments to the academic calendar in ways that minimize or eliminate any conflict between these activities and normally scheduled academic requirements.

WHEN CONFLICTS OCCUR

When a conflict or overlap between an external activity and academic requirements cannot be avoided, the following steps will be taken to address the issue:

The Program Office and CRC will generate a list of students who have expressed an interest in the event and who have met the requirements and standards for participation. The Program Office will vet students for appropriate and successful degree progress, academic probation, professional behavior and conduct. The CRC will review students for successful completion of career services programs and training specific to the event and use of the CRC, appropriate behavior with respect to employers and for overall professional behavior and conduct.

The Program Office and CRC will notify the faculty of the conflict. This notification will be sent as far in advance of the conflict as possible and will include: a description of the event and a justification for student participation; the number of students who have been approved to attend the event or activity who will miss the class; and, a deadline for faculty response.

Faculty will decide whether or not the students may miss the academic requirement or class and communicate their decision to the Program Office or CRC (not the students) by the established deadline.

The Program Office and CRC will notify the students of their eligibility to participate in the event and generate for each faculty member affected by the event or activity, a list of students who have been approved to participate.

Please note: *staff will not seek to over-ride the decision of the faculty. Students will be notified about their ability to participate in the event by the Program Office and the CRC only after a decision by the faculty has been made.*

If students are released from the class or activity, the students will be held responsible for the content and deliverables missed as a result of their participation in an event outside of class.

If students are not released from the class or activity, the Program Office and CRC will notify the students that they are not approved for the event and that their absence from class may negatively impact their grade and/or performance in the class or activity.

PROJECT PRESENTATIONS:

Up to two students will be asked to present various assignments and projects. Please e-mail your desire to be considered as a volunteer. **All students** should prepare a two-page PowerPoint ("PPT"). Bring the PPT on a memory stick to class if you are presenting. **Maximum 50 bonus points (two presentations) unless pre-approved by the professor in advance.**

GOTOs:

At least one analysis for the "*Good of the Order.*" This concept is to encourage you to share the **contacts** you make as you learn the industry. *Articles, etc. are appropriate for this class.* Your presentation *must* be in the form of a PPT covering the person, how you learned of them, how you made contact, what you wanted to learn, what you learned and what the hand off or next scheduled action is. **Maximum 25 bonus points.**

READINGS and CASE STUDIES:

Readings and Case Studies are contained in a course reader available at the bookstore. Readings are an important part of the learning process. Our knowledge and our perceptions come in a variety of ways. Certain beliefs are from our environment. Perceptions are what we learn by personal observation and experience. A final portion of our understanding is learned through the experiences of others. Reading academic articles is a way to share in the research done by others. Several readings are included to offer background on certain entrepreneurial phenomena and as the basis for classroom discussion.

Complete the readings and be prepared to discuss the cases on the date assigned. Students will be asked to present case material and lead class discussion on a weekly basis.

PROJECT RELEVANCY AND DIFFICULTY:

Grading weight will be given to the difficulty of the project undertaken. A simple project designed to build a life style business is easier to research and assess the feasibility as compared to a complex multi-operational, technology based firm. The weighted factor will be assigned when the working concept has been approved.

STRANGER'S DIARY: Feasibility 552 is a "do it" course. Introduction 551 is a "think about it" course. **As a student in 552, you have signed up for an *intensive boot camp experience in entrepreneurship*.** A high portion of your training comes from you exploring your industry to recognize opportunities that can be exploited. To do that requires you contact many people you do not now know. These strangers hold the key to unlock the information you need.

Keeping data on these contacts and recording the value of these strangers should now be part of your mindset. They will make a difference in your success and failure in life. They are the difference in grading in this class. Your diary of strangers is a pivotal part of the grading of this class. The diary must cover the entire semester and contain a **minimum of 25 strangers. It is due on November 30 along with your Final Feasibility Analysis. Please bind your Strangers' Log at the back of your Final Feasibility Analysis.**

To receive full credit for the assignment (250 points), Strangers' diaries must include:

1. Name of the stranger
2. Company/title
3. Date of meeting
4. One to two sentences stating what you learned from this stranger

CLASS GRADING

Class	Class participation		150*
Strangers' Diary	Must be kept for entire semester and include a minimum of 25 strangers. [Include, name, address, company, date of meeting and what was discussed and learned.]		250
Major Projects	Proof of customer segments	400	
	Financial feasibility	<u>200</u>	600
Final Project	Final Feasibility Analysis		1000
Minor Projects	In-class concept statement exercise August 31	100	
	Industry trends and drivers	100	
	In-class value proposition hypothesis Sept. 28	50	
	Customer segments grid	100	
	Customer segments test	100	
	Concept statements	100	
	Establishing initial product/service price	100	
	Establishing financial premises	100	
	60 second pitch participation	<u>100</u>	850
Not Graded	Declare an area of interest <i>Test Driving Your Business Start</i>		
Total Points			<u>2,850</u>
Bonus opportunities	GoTos	25	
	Two Project presentations (25 points each)	50	
	Concept Statement Pitch October 12	25	
	60 second pitch class semi-finalists	25	
	60 second pitch class finalists	25	

Class participation*

150 points – student is highly engaged in class on a weekly basis contributing insightful questions and thoughts.

100 points – student is moderately engaged in class on a periodic basis and occasionally contributes insightful questions and thoughts.

50 points – student is somewhat engaged in class contributing obvious questions and thoughts.

0 points – student does not contribute in class.

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UNIVERSITY OF SOUTHERN CALIFORNIA MARSHALL SCHOOL OF BUSINESS

The Lloyd Greif Center for Entrepreneurial Studies

CONFIDENTIALITY POLICY

Throughout The Entrepreneur Program's classes and events, students will be exposed to proprietary information from other students, guest lecturers and faculty. It is the policy of The Entrepreneur Program that all such information is to be treated as confidential.

By enrolling in and taking part in The Entrepreneur Program's classes and activities, students agree not to disclose this information to any third parties without specific written permission from students, guest lecturers or faculty, as applicable. Students further agree not to utilize any such proprietary information for their own personal commercial advantage or for the commercial advantage of any third party.

In addition, students agree that any legal or consulting advice provided without direct fee and in an academic setting will not be relied upon without the enlisted opinion of an outside attorney or consultant, without affiliation to The Program.

Any breach of this policy may subject a student to academic integrity proceedings as described in the University of Southern California University Governance Policies and Procedures as outlined in *SCampus*, and to the remedies that may be available at law.

The Entrepreneur Program, the Marshall School of Business and the University of Southern California disclaim any responsibility for the protection of intellectual property of students, guest lecturers or faculty who are involved in The Entrepreneur Program classes or events.

Receipt of this policy and registration in our classes is evidence that you understand this policy and will abide by it.

Course Deliverables

(Please refer to the assignment grade sheets posted on Blackboard for individual assignment requirements.)

Due: August 31

In-class concept statement development and presentation (100)

This in class project is conducted in teams of three students selected in class. The assignment consists of two parts: (1) evaluation of the team members' individual ideas ("opportunity recognition") and the selection of the best concept to pitch in class; and (2) for the selected concept, the development of the key elements of a business model (see below). At this stage, you will tell us "what you think" rather than "what you know."

Written deliverable due prior to the group concept statement presentation.

Due: September 7

Declare an area of interest assignment (not graded)

Prepare a not to exceed two (2) pages, typed, double-spaced, summary that shares your interest in a particular area: technology, real estate, entertainment, distribution etc. The paper should state why you are interested in this area, what aspect you see yourself in (sales, invention etc.) and what experience, if any, you already have in this or a related area.

Due: September 21

Industry trends and drivers (100)

The areas of greatest interest to entrepreneurs are industries in flux: areas of chaos and opportunity. Define the industry trends occurring in the industry of interest to you. Also, what are the industry drivers effecting the trends? Three pages, typed, double-spaced.

Due: September 28

Customer Segments Grid (100)

Prepare a concept grid listing all of the alternative customer segments you are considering, the means by which you will reach each of your potential customers and the benefits (for your value proposition) you will transfer to them. In the fourth column list your primary competitor(s).

Value Proposition Hypothesis (50), In-class assignment

For each customer segment you have defined in your Customer Segments Grid assignment, describe what value you will deliver. Which one of our customer segment's problems are you helping to solve? Which customer needs are your satisfying? What "bundles of products and services" are you offering to each customer segment?

Due: October 5

Customer Segments Test (100)

Prepare a paper, which may be in outline form and/or in part in the form of a questionnaire that first lists your target customer base and then the questions you would prepare to validate the critical elements of your concept. Indicate how you would test the basis for your customer buy decision in favor of your product or service over the alternative available.

Note: this assignment works in conjunction with Proof of Customer where you will use the questions generated from this assignment to actually receive feedback from potential customers, suppliers, distributors, competitors, service providers, etc.

Due: October 12

Concept Statements (100)

The work done in your Working Concept Statement was a broad statement of all of the potential opportunities available to you. This Concept Statement should be a result of your meeting with strangers and your increasing knowledge of the industry.

Articulate in one paragraph your concept and the underlying business model.

You must create three separate concepts.

Due: October 26

Establishing Initial Product/Service Price (100)

Determining the pricing of your product or service is perhaps the single most difficult challenge facing a start up venture. Yet it is often left to the competition to set your price.

To begin this challenge, prepare a cost estimate of the service or product you are delivering. Now determine the cost of your distribution channel. Together they represent your delivered cost. The final set of columns is what value the market will place on your offering. How does this compare to the competition value, distribution and pricing? Somewhere in this grid is your correct initial pricing.

Due: November 2

Financial Premises (100)

For the Timeline, prepare a sequence of events from today to the successful running of your new company outlining as many of the major milestones as you envision.

In your financial premises detail the basis for the premises you have made or are making in building your model of how your business operates. These should include the critical elements that will be reflected in your ultimate financial statements and cash flow, for example, timing of cash payments

by your customer and yourself). Using the time line of action created, prepare the list of expenditures and expenses needed to execute your concept.

Due: November 9

Proof of Customer Segments (400)

To be successful in establishing your new venture requires intimate knowledge of your potential customer. You need to know their needs and their buying process. Many successful firms have been launched using the customer in hand approach wherein the first sale was actually the basis of starting the firm. The purpose of this project is to define your initial target customers and design a process and to get actual feedback from them on their benefit needs and why and how they buy.

Due: November 16

Financial Feasibility (200)

In the long run, ventures succeed and fail on their financial basis. You will prepare a financial feasibility for your concept that will contain the key financial elements discussed in class. A separate hand out will be given in class outlining the elements of financial feasibility.

For this assignment, you are to prepare a Profit & Loss Statement, Cash Flow Statement, and at least two variations of your Cash Flow Statement. A three-year forecast is required for each statement. Year 1 should be presented monthly. Years 2 & 3 may be presented quarterly. You are also required to present a Financial Feasibility conclusion discussing in detail whether or not your concept is financially feasibility for you. Also, include all prior financial assignments per the grade sheet.

Due: November 30

Major Project - The Final Feasibility Analysis (1000)

The feasibility analysis is the culmination of all of your work. It is your most important output but is never seen in the public. It is the pillars that hold the structure together. The quality of the work you have done will have more to do with your success and failure than any other set of actions you take. The Final Analysis must be submitted in class in hard copy only. **No electronic submissions will be accepted.** Concurrently, post to Blackboard.

Strangers' log (250) [Please insert in the back of your Final Feasibility Analysis.]

Feasibility 552 is a "do it" course. Introduction 551 is a "think about it" course. As a student in 552, you have signed up for an intensive boot camp experience in entrepreneurship. A high portion of your training comes from you exploring your industry to recognize opportunities that can be exploited. To do that requires you contact many people you do not now know. These strangers hold the key to unlock the information you need.

Keeping data on these contacts and recording the value of these strangers should now be part of your mindset. They will make a difference in your success and failure in life. They are the difference in grading in this class. Your diary of strangers is a pivotal part of the grading of this class. The diary must cover the entire semester and contain a minimum of **25 strangers**. **Submit your Stranger's Log with your Final Feasibility Analysis.**

Due: November 30

60 Second Pitch (100)

Now that your Feasibility Analysis has been completed, you have an opportunity to pitch your concept to business angels and to your classmates. Why are you pitching your concept in class? Because, your ability to verbally articulate your concept in forty-five seconds or less to potential investors, bankers, customers, suppliers, distributors and others is critical to your success moving forward. Good luck and enjoy!

BAEP 552 - Feasibility Analysis

TOPIC

DELIVERABLE DUE

WEEK 1 – Introduction / Course Overview

August 24

Class discussion:

Introduction to BAEP 552
Introduction to the Entrepreneur's Feasibility Funnel
Syllabus & course expectations

Presentation: Article: *Bootstrapping Your Business. Get Real. Get Started.*

Readings:

HBR article: *Design Thinking*
HBR article: *How to Design a Winning Business Model*
HRR article: *Why the lean Start-up Changes Everything*

Student presentations: Why are you taking this course?

WEEK 2 – Concept Statement Development and Presentation

August 31

Steve Jobs: "How the Apple 1 computer was born." Launching with a customer in hand.

Preparing for your first assignment: Area of Interest – see deliverables

Class discussion:

Opportunity recognition
Concept Statement development

In class exercise: Concept development and presentation

This in class project is conducted in teams of four students selected in class. The assignment consists of two parts: (1) evaluation of the team members' individual ideas ("opportunity recognition") and the selection of the best concept to pitch in class; and (2) for the selected concept, the development of the key elements of a business model (see below). At this stage, you will tell us "what you think" rather than "what you know."

Written deliverable due prior to the group concept statement presentation. This in-class assignment is worth 100 points. You must be present in class to earn the 100 points.

Please organize your paper as follows:

- Provide the names of all group members on your paper and email the final version to steven.mednick@marshall.usc.edu.

- Systematically (but concisely) discuss each team member's opportunity based upon your team's criteria. Briefly explain your criteria. Select one opportunity that you believe has the highest potential and explain why this opportunity was selected over the others.
- Craft an initial business concept statement for the selected opportunity setting forth the following elements:
 - Product/service
 - Target customer
 - Distribution channel (how you will reach your customer)
 - Customer benefits
 - Revenue model

The ideal concept statement is written as a single paragraph with each element above given one sentence.

Your group will present your concept statement in class.

WEEK 3 – Industry Attractiveness and Trends

September 7
AREA OF INTEREST

Guest: Bart Greenberg, Pivotal Law Firm, *Common Entrepreneur Mistakes*

Student presentations: Area of Interest

Class discussion:

The Final Feasibility Analysis

Final Analysis – crafting your Scope of Research

Upcoming assignments:

Customer Segments Testing

Proof of Customer Segments

Readings:

HBR case: *Steven B. Belkin*

USC case: *Surf Air Takes Flight*

Marshall MBA Feasibility Analysis *Blookie*

WEEK 4 – Opportunity Creation, Customer Behavior

September 14

Guest: Kimberly E. Esser, Business Information Specialist, Crocker Business Library, USC Marshall School of Business

Class discussion:

Industry research
Primary & secondary research
Interactive opportunity recognition
Customer definition

Reading:

HRB case *Ingvar Kamprad & IKEA*

GOTO Sharing Strangers: Students

Preparing for next week: Industry trends and drivers assignment

WEEK 5 - Defining Your Customer and Your Customer Needs

September 21

INDUSTRY TRENDS AND DRIVERS

GOTO Sharing Strangers: Students

Student presentations: Industry Trends and Drivers

Class discussion:

Where is your customer taking you?
Markets & Customers
 Identifying your beachhead market and end user profile
 Calculating your Total Addressable Market
Developing a Customer Segments Grid
Vital area, niches and industry drivers
Crafting a brochure/web presence

WEEK 6 - Testing the Customers Needs; Risks

September 28

CUSTOMER SEGMENTS GRID

GOTO Sharing Strangers: Students

Student presentations: Customer Segments Grid

Class discussion:

People risks
Location risks
Governmental risks
Technology risks
Customer Segments Test leading to Proof of Customer Segments

Class exercise:

Value Proposition Hypothesis – in this exercise you will brainstorm on why your customers will buy from you – i.e., what customer problem are you solving or what customer need are you filling?

Written deliverable due prior to the end of class. This in-class assignment is worth 50 points.

WEEK 7 - Refining Your Concept; Proof of Product/Service

October 5
CUSTOMER SEGMENTS TEST

Guest: TBA

GOTO Sharing Strangers: Students

Student presentations: Customer Segments Test

Class discussion:

Crafting a concept statement – 3 variations required

Industry pain

Product/service

Customers

Customer benefits

Distribution channel(s)

Revenue model

Competition through distribution

Competition through benefit

Proof of product/service – delivering on the promise to the customer. How will you validate?

WEEK 8 – Pitching Your Concept

October 12
CONCEPT STATEMENTS

Guest: TBA

GOTO Sharing Strangers: Students

Student Concept Statement pitches (all students): Concept Statement pitch (25 bonus points. Must pitch to earn the bonus points.)

GOTO Sharing Strangers: Students

Class discussion: Proof of Product

Presentation: New Venture Financial Landscape

GOTO Sharing Strangers: Students

Class Discussion:

Establishing initial price for your product/service
Building a benefit list

Class discussion:

Creating a culture
Selection of others
Assessing capability and adaptability
Going from “me” to “we”
Mentors & advisors
The “virtual” enterprise
Employees vs. independent contractors

GOTO Sharing Strangers: Students

Student presentations: Establishing Initial Product/Service Price

Class discussion:

Forecasting Sales
Developing Premises
Premises vs. assumptions
Crafting a time line for success with premises
Proof of Customer Segments final questions

Class discussion:

Entrepreneurial Sales

Reading:

Stanford Graduate School of Business case *Scalix Corporation: The Evolution of a Sales Model*

WEEK 11 – Financial Feasibility

November 2
ESTABLISHING FINANCIAL PREMISES

Guest: TBA

GOTO Sharing Strangers: Students

Student presentations: Establishing Financial Premises

Class discussion:

Preparing for *Test Driving Your Business Start*

Profit & Loss Statement

Cash Flow Statement

Sensitivity analysis

Sales forecast

Entrepreneur's bet

The *Test Driving Your Business Start* assignment and blank spreadsheets posted on Blackboard. This ungraded assignment will be discussed in class Tuesday, November 11th.

Financial feasibility

Ingredients of financial feasibility

Review of the financial feasibility grade sheet

Sensitivity analysis/Final conclusion

WEEK 12 – Financial Feasibility

November 9
*TEST DRIVING YOUR BUSINESS START**
PROOF OF CUSTOMER SEGMENTS

GOTO Sharing Strangers: Students

Class discussion:

Cash Flow Exercises

Test Driving Your Initial Business Start

Electronic "What If"

**Test Driving Your Business Start* is an ungraded assignment and does not require submission. The exercise is used to help you prepare your Financial Feasibility.

Class discussion:

Final preparation for financial feasibility

All previous feasibility elements

Student presentations/class discussion: Proof of Customer Segments

WEEK 13 – Crafting Your Final Feasibility Analysis

November 16
FINANCIAL FEASIBILITY

GOTO Sharing Strangers: Students

Student Presentations: Financial Feasibility

Class discussion:

Financial feasibility final questions

Crafting a Feasibility Analysis

- Scope

- Section conclusions

- Overall conclusion

- Concept statement

Class discussion:

The 60 Second Pitch

How to pitch your business concept

Pitch elements

What makes a good pitch?

Pitch examples

WEEK 14 – Fieldwork/Thanksgiving

November 23

Thanksgiving holiday; crafting your Final Feasibility Analysis and interviewing strangers.

WEEK 15 – Pitch contest/Course wrap-up

November 30
FINAL FEASIBILITY ANALYSIS
STRANGERS' LOG
60 SECOND PITCH CONTEST

Student presentations: Final Feasibility Analysis

60 Second Pitch Contest – 100 participation points
[Must pitch to receive points.]

Guests: Institutional angels TBA

Judges' feedback

Course Review

Course evaluation

