

# USC Marshall

School of Business  
*Lloyd Greif Center for  
Entrepreneurial Studies*

**BAEP 553: Cases in New Venture Management**  
**Monday 6:30 to 9:30 p.m., JKP 102**  
**Fall 2016 SYLLABUS**

Version 1.5 [Guest dates subject to change.]

**BAEP 553 is a three-unit entrepreneur course for graduate students.**

---

**INSTRUCTOR:** STEVE MEDNICK  
Associate Professor of Entrepreneurship  
Academic Director, Graduate Programs, Lloyd Greif Center  
USC Marshall School of Business  
Lloyd Greif Center for Entrepreneurial Studies  
University of Southern California  
Los Angeles, CA 90089-0441

**HOW TO CONTACT:** MOBILE: 949-838-5894  
EMAIL: [steven.mednick@marshall.usc.edu](mailto:steven.mednick@marshall.usc.edu)  
OFFICE HOURS: Monday 2-4:45 p.m. and individual appointments  
  
Please use my email or voicemail to discuss items of a personal nature.

**EMERGENCY NUMBERS:** USC Emergencies 213-740-4321  
USC Emergency Information Line 213-740-9233  
USC Information Line 213-740-2311  
KUSC Radio 91.5

**REQUIRED TEXT:** There is no course reader. However, readings and/or cases may be assigned throughout the semester. Readings and cases will be posted to Blackboard.

**PREREQUISITES:** None

**COURSE LEARNING OUTCOMES:** Upon taking this course, the student will be able to:

- Evaluate how founder's gather information in order to make decisions
- Assess their tolerance for ambiguity and financial risk
- Evaluate challenges relating to new and emerging ventures
- Assess new venture opportunities
- Analyze strategic choices in relation to new ventures
- Analyze the exit process for a venture

## **PURPOSE/DESCRIPTION:**

This course provides students with insight into the issues, challenges and opportunities involved in the creation and management of a new venture over its full life cycle. Typically, entrepreneurs are consumed with their product or service and are not prepared to strategically nor tactically lead the venture.

In this course, students will have an opportunity to learn from and engage with proven entrepreneurs who have started businesses and who have faced the many issues, challenges and opportunities that come-up in early to mid-stage ventures. Through this course, students will gain an understanding of what it takes to start and lead a venture to sustainability and possible exit.

This course will focus on the issues, challenges and opportunities typically facing an early stage to emerging venture with annual revenues of \$0 to \$100++ million to help you prepare to launch your venture.

## **COURSE GOALS & TOPICS:**

In this course, you will have an opportunity to explore a number of issues in an early to mid-stage venture such as:

- What entrepreneurs do (or fail to do) to prepare themselves to launch their venture
- Starting a new business in an industry where the entrepreneur has a passion but no background. Wise? What are the added costs, issues, challenges?
- How entrepreneurs react to the daily ups and downs of leading a venture
- The personal toll on the entrepreneur, his/her family and friends when launching a new venture
- What issues arise in a family owned business?
- How early stage businesses create culture
- How entrepreneurs go from “me selling our product or service” to us (hiring sales people) selling our product or service
- How to identify and select outside service providers (attorneys, accountants, bankers, etc.) who understand the difficulties of early stage businesses?
- How to grow sales with limited resources, *i.e.*, bootstrapping
- Growth through mergers and acquisitions
- How to secure outside funding – debt and equity
- How to prepare for succession planning
- How to prepare your company for exit. And, when is the best time to sell
- How to establish a compensation philosophy
- How to select an effective and active board of advisors
- Transitioning from entrepreneur to entrepreneur CEO
- How to create an environment that fosters innovation
- What is the value of patent protection?
- How to develop and execute a franchise business model
- When to recognize, as the entrepreneur, it's time to step aside and let someone else lead the venture

## **COURSE GRADED ASSIGNMENTS:**

### **Weekly Vignettes**

Over the course of the semester, 12 separate topics will be presented. Each student, at his/her sole discretion, shall select 9 of the 12 topics to submit both a pre and a post class paper to Blackboard. The first 9 post class submissions (a single submission comprising both the pre and post class papers) will receive points. In order to submit a post class paper, a student must submit an ungraded pre class paper, posted to Blackboard only, prior to the start of class in which the topic will be presented. [Note: Blackboard will not accept late submissions.] No exceptions.

#### **9 Pre Class Papers (Required but not graded separately.)**

Each week the faculty will post a vignette introducing the next week's topic. If a student wishes to submit a graded post class paper, she/he must post this paper to Blackboard prior to the start of class in which the vignette will be discussed. This paper should be no more than one page in length and outline the student's initial thoughts presented in the vignette. The pre class paper will be reviewed at the time the post class paper is evaluated as set forth below.

***Note: Class attendance the night of the guest speaker and a pre class paper timely posted to Blackboard is an absolute pre-requisite to submitting a post class paper. No exceptions.***

#### **9 Post Class Papers (200 points each)**

The post class paper shall comprise of two parts. Part one is the student's pre class paper. Part two shall be a discussion of (1) what the student learned from the guest speaker, (2) how the student's pre class thoughts aligned or differed with the class discussion and (3) the student's key takeaway elements. Including the pre class paper, the post class paper may not exceed 3 pages in length. Post class papers will be evaluated based upon the student's pre class paper and presentation of the three discussion points. Post class papers are to be submitted to Blackboard. The first 10 submitted to Blackboard will be assessed for grading – no exceptions.

Papers will receive points based upon the following evaluation scale:

176 - 200 points – outstanding issue insight	151 - 175 points – good issue insight
126 - 150 points – fair issue insight	50 – 125 points – minimal issue insight

Note: if the pre-class paper is not included with the submission of the post-class paper, the maximum available point total for the paper is 175 points.

### **Student Presentations**

#### **One-time 4-minute presentation with PowerPoint slides (200 presentation points)**

Each week up to 4 individuals will volunteer to present either their pre or post class papers to the class (maximum of 2 pre class and 2 post class presentations each week). Individuals will have no more than 4 minutes and must use up to four PowerPoint slides. Please sign-up on Blackboard prior to class if you or your team would like to present. There are no "make-ups" for this activity. Please sign-up early to assure yourself of a presentation slot.

## The Rules of the Road

By week 15 of the course, the students will have crafted nine (9) post class papers in response to twelve (12) issues, challenges and opportunities involved in the creation and managing a new venture over its full life cycle. Due on the last day of class, which is November 28, the students will submit a final project presenting their rules of the road learned when creating and managing a new venture over its full life cycle. There is no length requirement, and the student may submit the project in any form of their choosing. Though only 9 of the 12 topics have been submitted for evaluation, the student may include thoughts from the other two weeks. The Rules of the Road is worth **400 points**. The assignment will be evaluated based upon both content (2/3) and form (1/3).

### Course Graded Assignments Outline

<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>...4, 5, 6...</u>
Topic 1 Pre Class Paper Presentations	Topic 2 Pre Class Paper Presentations Topic 1 Post Class Paper	Topic 3 Pre Class Paper Presentations Topic 2 Post Class Paper	
<u>Final Week November 28</u> Topic 12 Post Class Paper Rules of the Road			

LATE WORK WILL LOSE 10% of the POINTS for **each week** it is late. After the second week, you will not receive a grade. Plan to e-mail your work before class if you must be absent. Follow-up with the hard copy and always post to Blackboard; we will not print out e-mails.

**RULES OF THE ROAD LATE PENALTY.** A different and separate penalty schedule applies to the Rules of the Road assignment as follows: **The Rules of the Road Assignment in hard copy is due in class by 6:45 p.m. on November 28, 2016.** A 5% penalty of your grade will be deducted for assignments submitted after 6:45 p.m. on the day it is due. **An additional 10% daily penalty** will apply for each day thereafter until your assignment is submitted in hard copy (and recorded by Greif Center staff) at the Greif Center. Concurrently, post the assignment to Blackboard.

### **COURSE ETIQUETTE AND GUESTS:**

Treat your professors and our guests as you would a customer. You will get in return what you give. There are no excuses. We operate this class like the business world.

We anticipate a guest presenter every week. You are expected to greet them at the beginning of class. **They will be prompt; you must arrive by 6:30 p.m. for every class.** Please also check with us about availability for office hours just before our speakers' dates. Sometimes our guests will be joining us for dinner—perhaps you may wish to join us? We will try to inform you of changes as they occur.

### **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 Post Class 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:**

There is no course reader. However, readings and/or cases may be assigned throughout the semester. Readings and cases will be posted to Blackboard if possible. If not, they will be handed out in class.

**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.

**Class attendance the night of a guest speaker is a mandatory requirement to submitting a Post Class Paper. There are no make-ups or excuses.**

**Class participation:**

Class participation is a critical element in the success of the course. Consequently, it is given equal weight to one of the post class papers as follows:

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

**125 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.

## CLASS GRADING

<b>Class participation</b>	200
<b>9 Pre Class Papers</b> Required but not graded separately	
<b>9 Post Class Papers</b> 200 points each; up to 10 submissions	1800
<b>Rules of the Road</b>	400
<b>Presentation</b> 4-minute individual/team presentation with PowerPoint slides	200
<b>Total Points</b>	<b><u>2600</u></b>

*Note: additional presentation points may be offered throughout the semester to reward individuals/teams presenting more than once. If and when offered, sign-ups will be taken on a first come, first served basis.*



School of Business  
*Lloyd Greif Center for  
Entrepreneurial Studies*

**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.

## BAEP 553 – Cases in New Venture Management

### TOPIC

### DELIVERABLE DUE

---

**Week 1**

**August 22**  
TOPIC 1 PRE CLASS

#### EVENING LINE-UP

**Class discussion:**

Introduction to BAEP 553  
Syllabus & course expectations

**Student presentations & class discussion**

**Guest speaker:**     **Doug Pearson, Founder & CEO, California Creative Foods, Inc.**  
“Entrepreneurial entry strategy – acquiring a business opportunity.”

---

**Week 2**

**August 29**  
TOPIC 1 POST CLASS  
TOPIC 2 PRE CLASS

#### EVENING LINE-UP

**Student presentations & class discussion**

**Guest speaker:**     **Guy Primus, Co-Founder & CEO, The Virtual Reality Company**  
“Fundraising for a creative start-up.”

---

**Week 3**

Labor Day. No class.

**September 5**

---

**Week 4**

**September 12**  
TOPIC 2 POST CLASS  
TOPIC 3 PRE CLASS

#### EVENING LINE-UP

**Student presentations & class discussion**

**Guest speaker:**     **Helen Chen, Ph.D., Chief Operations Officer, Ambryx Biotechnology, Inc.**  
“How a young woman professional with a technical background successfully navigates through the entrepreneurial world.”



---

**Week 5**

**September 19**  
TOPIC 3 POST CLASS  
TOPIC 4 PRE CLASS

**EVENING LINE-UP**

**Student presentations & class discussion**

**Guest speaker:**      **Carey Ransom, CEO, RealPractice**  
“Scaling a stagnant company backed by venture capital.”

---

**Week 6**

**September 26**  
TOPIC 4 POST CLASS  
TOPIC 5 PRE CLASS

**EVENING LINE-UP**

**Student presentations & class discussion**

**Guest speaker:**      **Carrie Dorr, Founder and CEO, Pure Barre, LLC**  
“Selling your business to private equity.”

---

**Week 7**

**October 3**  
TOPIC 5 POST CLASS  
TOPIC 6 PRE CLASS

**EVENING LINE-UP**

**Student presentations & class discussion**

**Guest speaker:**      **Torin Pavia, Founder & CEO, Arbitech, LLC**  
“Creating a winning culture and hiring great people in an emerging company.”

---

**Week 8**

**October 10**  
TOPIC 6 POST CLASS  
TOPIC 7 PRE CLASS

**EVENING LINE-UP**

**Student presentations & class discussion**

**Guest speaker:**      **Steven Myers, Founder & Chairman Emeritus, Steven Myers & Associates**  
“Opportunity recognition.”

---

**Week 9**

**October 17**  
TOPIC 7 POST CLASS  
TOPIC 8 PRE CLASS

**EVENING LINE-UP**

**Student presentations & class discussion**

**Guest speaker:**     **Mark Friedman, Founder and CEO, Perfect Fitness**  
“When your best strategy is to pivot.”

---

**Week 10**

**October 24**  
TOPIC 8 POST CLASS  
TOPIC 9 PRE CLASS

**EVENING LINE-UP**

**Student presentations & class discussion**

**Guest speaker:**     **Michael Caito, Co-Founder and CEO, Restaurants on the Run**  
“Transitioning from entrepreneur to entrepreneurial CEO.”

---

**Week 11**

**October 31**  
TOPIC 9 POST CLASS  
TOPIC 10 PRE CLASS

**EVENING LINE-UP**

**Student presentations & class discussion**

**Guest speaker:**     **TBA**

---

**Week 12**

**November 7**  
TOPIC 10 POST CLASS  
TOPIC 11 PRE CLASS

**EVENING LINE-UP**

**Student presentations & class discussion**

**Guest speaker:**     **Rodney Derifield, CEO, EnviroCooler**  
“What is the value of patent protection?”

---

**Week 13**

**November 14**  
TOPIC 11 POST CLASS  
TOPIC 12 PRE CLASS

## EVENING LINE-UP

**Student presentations & class discussion**

**Guest speaker:**      **Frank Yang, Founder & CEO, simplehuman**  
“Launching a consumer products company based upon design.”

---

**Week 14**

**November 21**

## EVENING LINE-UP

**No class. Field study. Preparing your Rules of the Road.**

---

**Week 15**

**November 28**  
**TOPIC 12 POST CLASS**  
**RULES OF THE ROAD\***

## EVENING LINE-UP

**Student presentations & class discussion**

**Student course insights**

**Wrap-up**

*\* As a reminder, the Rules of the Road assignment must be submitted in hard copy and concurrently posted to Blackboard.*