



## **BAEP-551 Entrepreneurship**

**Winter term 2018**

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### **COURSE DESCRIPTION**

BAEP 551 provides an introduction and overview of the fundamentals of entrepreneurship. This course utilizes the modern, lean startup model, customer discovery and dynamic adaptation. Our central will be on recognizing and exploiting opportunities. Whether you have an idea and are ready to launch a business, are going to take one over, or simply want to learn more about what an entrepreneurial career entails, this course equips you with a basic entrepreneur's toolkit. Corporate strategists should find the material invaluable for understanding and competing against disruptive startups that may enter their markets. The course can either stand alone or you can build on it with further studies in our highly-ranked Entrepreneurship Program (#4 by Financial Times and #10 by US News and World Report).

The course traces new venture creation from the perception of an opportunity to the point of value realization or exit. Along the way, we look at testing the feasibility of your business concept, planning, adapting, gathering resources, and raising financing, if necessary. Because starting a new business from scratch is not the only way of pursuing an entrepreneurial career, we will also examine other routes including franchising, acquiring an existing business, and starting a new venture within an established corporation. Finally, we will also consider the importance of work / life balance in the demanding entrepreneurial life.

Entrepreneurship is also a mindset, a way of looking at things that is opportunity-focused and creative. It's about passion, creating wealth and gaining independence. It is also about challenges, risks and fighting on!

### **COURSE OBJECTIVES**

Upon successful completion of this course, you will be able to:

1. Identify entrepreneurial opportunities by employing opportunity recognition techniques to discover customer pain points in the marketplace
2. Formulate initial business concepts and business models for entrepreneurial opportunities by building on primary and secondary research on the opportunity and its context

3. Develop an early plan to explore the opportunity further and to address the key uncertainties of the opportunity
4. Critically evaluate opportunities and subsequently modify and adapt business models in iterative development cycles
5. Pitch an early-stage business concept to potential stakeholders and resource providers such as management team members and investors, with a focus on communicating the customer pain point and your proposed business solution
6. Learn to enjoy your business and your life in harmony.

## COURSE MATERIALS

Komisar, Randy, 2001. *The Monk and Riddle*, HBS. Referred to as “Monk.”

<http://www.amazon.com/The-Monk-Riddle-Creating-Making/dp/1578516447>

Blank, Steven & Dorf, Bob, 2012. *The Startup Owner’s Manual*. K&S Ranch Press. Referred to as “Startup.”

<http://www.amazon.com/Startup-Owners-Manual-Step---Step/dp/0984999302>

*Any edition of these books, new, used or electronic is fine. Both are inexpensive and available in the bookstore and many other places.*

Autry & Huang. New Entrepreneurial Dynamic. Referred to as “NED.” *I will post chapters from this textbook in process.*

### **I also fondly recommend (not required):**

Strunk and White, any edition. *The Elements of Style*

Reynolds, 2103. *Presentation Zen*. Pearson.

An electronic course reader containing case studies and additional material will be available through HBS. You must register there and buy it online. Readings found in this reader are noted as “CR” in the calendar. Purchasing instructions will be emailed and posted on Blackboard.

## GRADING

Requirements for GSBA-551			Value: points	%
1	In class assignments	Individual	100	10%
2	Midterm	Individual	250	30%
3	Opportunity Assignments	Individual Opportunity ID	100	10%
		Group Video & Pitch	200	20%
		Group One Pager	100	10%
4	Case Write Up	Individual	200	20%
5	Participation	Individual	50	10%
<b>Total</b>			<b>1000</b>	<b>100%</b>

Final grades represent how you perform in the class both in absolute terms and relative to other students. The average grade in this class is likely to be approximately 3.5. Your final grade will be

assigned based on your total points from the evaluation components listed above, the overall average points within the class, and your ranking among all students in the class.

I will not make grade adjustments at the course end because you are “very close” to a grade threshold. I understand the arbitrary nature of the A-F letter grade system and sympathize with the experience of being within a tenth or hundredth of a point below an A-, but the grading scale will hold. Please do not plan on emailing me after grades are assigned and explaining why you need to get a different grade. If you have some hard target for a scholarship or whatever, let me know in advance and I will endeavor to help you to achieve the level of performance required to get you there and alert you if you aren’t making it. In the end, your grade will depend entirely on your efforts.

## **Participation**

Your level of in-class participation will be evaluated based on both the quality (relevance and insightfulness) and quantity (frequency) of your participation. Particular attention will be paid to participation with our guest speakers. Participation grades are by no mean a “given.” If it is your habit to show up regularly to class, sit quietly and take notes and answer when called upon, expect to get a zero in participation. Participation requires that you contribute to class conversations and ask relevant questions at appropriate times. If you have had problems with participation in the past, let me strongly suggest you sit in the front row and come to class with question. Challenge the instructor (constructive disagreement is encouraged) and (politely) the guest speakers with questions that are relevant and not simply obvious.

The evaluation of in-class participation quality is based on the following:

- *Relevance* – Does the comment or question meaningfully bear on the subject at hand? Irrelevant or inappropriate comments can detract from the learning experience.
- *Responsiveness* – Does the comment or question connect to what someone else has said?
- *Analysis* – Is the reasoning employed consistent and logical? Has data from course materials, personal experience, or general knowledge been employed to support the assertions/findings?
- *Value* – Does the contribution further the understanding of the issues at hand?
- *Clarity* – Is the comment concise and understandable?

Anonymous rankings of your fellow group members will be provided to the instructor as a tool to discourage freerides in the group projects and reward the group project hero’s. I will consider these in setting the participation grade. A blackboard assignment with a clear rubric for the peer evals will be posted.

## **In-Class Worksheets**

There will be four in-class worksheets. These will be either distributed as hardcopies in class or posted on Blackboard. Each one will be explained in more detail when it is assigned.

1. Equity spilt worksheet
2. Valuation Worksheet 1
3. Valuation Worksheet 2
4. Exit Strategy Worksheet

## **Midterm Exam**

The midterm exam will be compromised of three sections:

Multiple Choice: 30-50 questions covering a variety of topics from the course readings, lectures, guest speakers and anything else that might be assigned.

Essay: Choose from one or three possible essay topics.

Financial Sheet: A simple exercise in categorizing expenses and

The exam will be conducted in class on your laptop or other device. You are responsible for ensuring you are ready to access Blackboard, edit and upload Word documents (you can use Google Docs or Pages, just save in .doc). Computer or connection problems on your system will not be an acceptable excuse.

### Case Write Ups

You must read all three cases and be prepared to discuss them. You may be quizzed and / or cold called on case facts. Obvious failure to have done the assigned reading will result in point deductions from your participation and case assignments. *A write up is required for just one.* You may not submit more than one write up. *Choose just one of the cases* and produce a short write-up analyzing the lessons of the case, offering your suggestion for the resolution of the prime questions in the case and a detailed explanation of how you reached that conclusion. Your write up should demonstrate mastery of the concepts we have covered in class. Some additional specific questions may be included in the blackboard assignment. *Case Write ups are due before class on the day of the case discussion.*

### Individual Opportunity Identification Slide Stack

*Objective* – The purpose of this individual assignment is for you to gain experience searching for entrepreneurial opportunities, and to learn to formulate, evaluate and present business concepts in a concise manner. Feedback from this Opportunity Identification assignment will be used to help the groups choose the startup concept for the Video and Pitch assignment.

*Content of the Assignment* – In this assignment, you are to identify an entrepreneurial opportunity and develop a business concept for it. The concept can be an independent new venture, a social or non-profit venture, or a new corporate venture. The assignment should be done on a new opportunity, not mature business; early-stage ventures in the process of being launched are appropriate.

The assignment should address the following:

- Who is the customer and what is their problem/pain point that you have identified?
- What is the product/service offered and the benefits it provides? How will you reach the customer, i.e., what is the distribution channel?
- Why and how did you personally recognize this opportunity?
- What environmental factors led to this opportunity coming into existence? (e.g., industry/demographic/technological developments)
- What early evidence can you generate to show that this is an attractive opportunity? You will need to get out there and do some research in the real world. E.g., interviews with industry experts, potential customers, suppliers, distribution partners, observation of competitors or consumers in the wild.
- What are the next steps to pursue this venture? What are the critical uncertainties in the opportunity and how can you research/test them?

*Deliverable* – A short (@5 slide) power point or PDF stack

### Grading rubric for the individual opportunity identification assignment

	Points
(1) Target customer & problem clearly identified and presented	10
(2) Description of the product / service & distribution channel	15

(3) Analysis of why and how <u>you</u> personally recognized this opportunity	10
(4) Why now? Why an attractive opportunity? Analysis of environmental factors that created this opportunity. It's likely longevity. Fieldwork.	25
(5) Plans to validate and further pursue the venture	25
(6) Presentation, writing and over-all quality	15
Total points	100

### Team Opportunity Assignment

The team assignment contains are two deliverables:

1. A crowdfunding style video of 3-8 minutes in length. (cover everything but do NOT bore us)
  - a. What is the basic concept? Who is the customer and why will they pay?
  - b. How will you deliver? What team do you need (this is who you *really need*, not the team you have necessarily)?
  - c. How much money do you need and what is it for?
  - d. You will stand and take questions following the showing of your video.
2. One Pager – An investment grade one pager (2 sided) PDF covering the fundamentals of this business. Samples of one pagers will be provided.

The Videos will be rated anonymously by your classmates using clickers and I'll consider that in grading.

#### *Grading rubric for the team One Pager*

	Points
(1) Explanation of the problem, market, solution and business model.	40
(2) Identification of financial, physical, intellectual & human resources required to execute.	30
(3) Overall quality and completeness of the document.	30
Total points	100

### CLASSROOM AND COMMUNICATIONS POLICIES

- Please be prompt. Arriving late or leaving early disrupts the learning experience for others.
- Remember to turn off cell phones. Laptop computers are to remain closed, unless otherwise instructed, as laptop use distracts from the class experience.
- Use of any distributed material is reserved exclusively for the USC students registered in this class. Videotaping or audiotaping lectures is not permitted due to copyright infringement regulations.
- Unless otherwise explicitly stated, all student deliverables will be submitted online to Blackboard electronically (save trees). I generally never want to see a "hard copy." All assignments files must have your full name. I will provide feedback on Blackboard and return marked up files of major papers.
- Course communication will take place through announcements in class, emails, and Blackboard (<http://blackboard.usc.edu/>) and an app called GroupMe. Critical communications and assignments will always be on Blackboard.
- I will endeavor to meet in person or on the phone as you require. Please schedule appointments via email.

## **GREIF CENTER CONFIDENTIALITY POLICY**

Throughout the classes and events of the Lloyd Greif Center for Entrepreneurial Studies (“the Greif Center”), students will be exposed to proprietary information from other students, guest lecturers, and faculty. It is the policy of the Greif Center that all such information be treated as confidential.

By enrolling in and taking part in the Greif Center’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 use 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 Greif Center.

Any breach of this policy may subject a student to academic integrity proceedings as described in the University of Southern California Student Handbook SCampus and to any remedies that may be available at law.

The Lloyd Greif Center for Entrepreneurial Studies, the Marshall School of Business, and the University of Southern California disclaim any responsibility for the protection of intellectual property of students, guest lecturers, faculty or staff who are involved in our classes or events. Receipt of this policy and registration in our classes is evidence that you understand this policy and will abide by it.

## **STATEMENT OF ACADEMIC CONDUCT AND SUPPORT SYSTEMS**

USC seeks to maintain an optimal learning environment. Students are expected to submit original work. They have an obligation both to protect their own work from misuse and to avoid using another’s work as their own. All students are expected to understand and abide by the principles of academic honesty outlined in the University Student Conduct Code (see University Governance, Section 11.00) of SCampus ([www.usc.edu/scampus](http://www.usc.edu/scampus) or <http://scampus.usc.edu>). The recommended sanctions for academic integrity violations can be found in Appendix A of the Student Conduct Code.

### **Students with Disabilities:**

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a 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 me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: [ability@usc.edu](mailto:ability@usc.edu).

### **Support Systems:**

*Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call*

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. <https://engemannshc.usc.edu/counseling/>

*National Suicide Prevention Lifeline - 1-800-273-8255*

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

*Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call*

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

*Sexual Assault Resource Center*

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

*Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086*

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

*Student Support & Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

*Diversity at USC – <https://diversity.usc.edu/>*

Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

*Emergency Preparations*

In case of an emergency if travel to campus is not feasible, the USC Emergency Information web site (<http://emergency.usc.edu/>) will provide relevant information, such as the electronic means the instructors might use to conduct their lectures through a combination of USC's Blackboard learning management system ([blackboard.usc.edu](http://blackboard.usc.edu)), teleconferencing, and other technologies.

**Course Schedule (subject to change, monitor Blackboard and GroupMe)**

	<b>Topics / Activities</b>	<b>Readings</b>	<b>Deliverables Due</b>
<i>Week 1</i> M:1/8/18	Introduction & Course Overview - Meet the instructor	Syllabus, NED Preface (Komisar)	
W:1/10/18	Learn about you	Startup: Introduction	<b>Your LinkedIn Profile &amp; bio notes</b>
<i>Week 2</i> M:1/15/18	<b>MLK Day Holiday</b>		
W:1/17/18	Team selection. Equity Split	CR: Assembling the Startup Team. NED: 7 Teams	Equity Split Sheet (in-class assignment)
<i>Week 3</i> M:1/22/18	ELC exercise – JKP 301		
W:1/24/18	Why Entrepreneurship? Are you an entrepreneur?	Startup: 1 Monk: Preface & 1 NED: 1 Entrepreneur	Valuation 1 (in-class assignment)
<i>Week 4</i> M:1/29/18	<b>Guest: TBD</b>		<b>Guest Question</b>
W:1/31/18	Problems, pain & joy	Startup: 2 & 3 Monk: 2	
<i>Week 5</i> M:2/5/18	Your Business Model	Startup: 4 NED: 2 Dynamic	<b>Individual Opportunity ID Slides</b>
W:2/7/18	Case Day	CR: <i>Jim Poss</i> BB: Case Method	<b>Case Brief 1</b>
<i>Week 6</i> M:2/12/18	Customer Discovery & more	Startup: 5 & 6	
W:2/14/18	Industry Research & Market	Startup: 7	<b>Team Project Idea (Outline - @ 3 slides)</b>
<i>Week 7</i> M:2/19/18	<b>President's Day Holiday</b>		
W:2/21/18	Validation	Startup: 8 & 9	
<i>Week 8</i> M:2/26/18	Validation 2	Startup: 10 & 11 Monk: 3	
W:3/28/18	Validation 3	Startup: 12 Monk: 4, 5	
<i>Week 9</i> M:3/5/18	Finance <b>Guest: TBD</b>	CR: <i>How Venture Capital Works</i>	<b>Guest Question</b>
W:3/7/18	Mid Term Review		<b>Guest Question</b>
<i>Week 10</i> M:3/12/18	<b>Spring Break</b>		
W:3/14/18	<b>Spring Break</b>		
<i>Week 11</i> M:3/19/18	<b>Mid Term Exam</b>		
W:3/21/18	<b>Guest: TBD</b>	Monk 9	<b>Guest Question</b>



<i>Week 12</i> M:3/26/18	Case Day	CR: <i>Terrapower</i> BB: Case Method	Case Brief 2
W:3/28/18	Project Status Review	Monk: 6 & 7	Draft Video Script / Notes
<i>Week 13</i> M:4/2/18	Open Class TBD	TBD	Valuation 2 (in-class assignment)
W:4/4/18	Guest Speaker: TBD		Peer Assessment 1
<i>Week 14</i> M:4/9/18	Case Day	CR: <i>XCOR</i>	Case Brief 3
W:4/11/18	Guest Speaker: TBD	Monk: 8	Exit Strategy (in-class assignment)
<i>Week 15</i> M:4/16/18	Presentations		Videos
W:4/18/18	Presentations		Videos
<i>Week 16</i> M:4/23/18	Small Business and the B- cycle	Autry-Navarro: Fin. Exec. B-cycles NED: 16 Monk: 9	
W:4/25/18	Capstone Discussion	Overview Monk 10 & Epilog	
<i>F:TBD</i>	Not a class meeting		One Pagers Peer Assessment 2