

# USC Marshall

School of Business  
Lloyd Greif Center for  
Entrepreneurial Studies

## **BAEP 554 –Venture Initiation Tuesday 2pm-4:50pm Bridge Hall 5 (Lower Level)**

### **Spring 2025 Syllabus**

BAEP 554 is a three-unit Business Entrepreneurship Course for graduate students.

**Instructor:** Steven Mednick  
Professor of Entrepreneurship  
USC Marshall School of Business  
Lloyd Greif Center for Entrepreneurial Studies  
University of Southern California Angeles, CA 90089-0441  
[steven.mednick@marshall.usc.edu](mailto:steven.mednick@marshall.usc.edu)  
949-838-5894

**Office hours:** By appointment

Please use my email or voicemail to discuss items of a personal nature. Any questions about the course material, content, or procedures should be posted on the Brightspace discussion board, where responses will be available to benefit all class members or addressed during our class sessions.

**Prerequisites:** BAEP 552/BAEP 556

**Required Readings:** Please see the course reader. Details follow below.

We will *not* be running Zoom during any class sessions, as this is a residential course. Please do not ask. Students are expected to attend all class sessions.

#### **Suggested Textbooks:**

[Not required.]

- *The Art of the Start*, Penguin Books Ltd, 2004; Guy Kawasaki
- *Disciplined Entrepreneurship: 24 Steps to a Successful Startup*, Wiley, 2013; Bill Aulet
- *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*, 2010; Alexander Osterwalder

## **Course Description**

This course provides an in-depth exploration of the process of starting and managing a new venture or starting a new venture within an existing on-going business. Through a combination of lectures, case studies, guest speakers, and hands-on projects, students will learn essential concepts and practical skills necessary for successful new venture launch. Topics covered include opportunity identification, common business and legal mistakes, business model development, market analysis, financial management, building a business platform for success, legal considerations and requirements, sales channel development, sales strategies and tactics, operational requirements and challenges and growth management.

Venture Initiation is presented in fifteen weekly sessions. The course's two major assignments are (1) to interview three entrepreneurs, social entrepreneurs or corporate entrepreneurs, and to submit to Brightspace a not to exceed five (5) page paper prior to Week 12 outlining the key sales lessons learned from these individuals, and (2) in Teams of four to five students, Teams will craft an initial business concept in Week 2 and then expand the Team's business concept by testing many of its essential elements and subsequently presenting the Team's expanded business concept in our Team 10-Minute Playbook Presentation in Week 15. The Team Playbook Presentations may draw upon course lectures and readings as well as from the lessons learned from expert guests. For this course, Teams may either use an existing business concept or create a new business concept.

This course requires in-depth preparation and significant effort outside of the classroom and campus. *Real learning in the real world.*

## **Course Learning Outcomes**

You will learn the general framework and specific skills to do the following:

- Use the problem-solving approaches and processes of successful entrepreneurs
- Evaluate industry and market trends to exploit opportunities
- Identify and develop sources of sustainable competitive advantage
- Evaluate and develop value propositions, pricing models, and business models
- Build a management team and best practices for company culture
- Successfully seek resources to develop your enterprise

You will also develop:

- Critical thinking skills: Analyzing data, solving problems, and making decisions
- Creative capabilities in idea generation
- Communication skills in written and oral presentations
- Individual skills in task management
- Learning skills in a collaborative environment

## **Course Objectives**

- To understand the fundamental concepts of launching a new venture or launching a new venture within an existing on-going business.

- To learn various approaches to developing sustainable business models.
- To explore strategies for marketing, sales, distribution models and customer acquisition.
- To understand the legal, ethical, and financial aspects of starting a venture.
- To analyze real-world case studies of successful and failed ventures.
- To cultivate an entrepreneurial mindset and problem-solving skills.

### **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 any 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 Entrepreneur Program classes or events. Receipt of this policy and registration in our classes are evidence that you understand this policy and will abide by it.

### **Purchasing and Downloading Instructions for Custom Publishing Website:**

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://shop.universitycustompublishing.com/my-account/>
- Select School: University of Southern California
- If you are a new customer, click Register and fill out the required information
- If you are a returning customer, log-in with your E-mail address and password and click Log In
- Select a Term (Semester and Year) and Select a Department, from the menu.
- Locate the course reader desired to purchase (BAEP 554 Spring 2025, Section 14426D).

#### COURSE READER OPTIONS:

- EZ-Reader Digital – Students download a PDF of the complete course reader readings.

Digital Reader/file, may not be shared, posted, duplicated and/or emailed in anyway.

- Click [Add to Cart](#)
- Click [View Cart or Shopping Cart \(right-hand side\)](#)
- Click [Proceed Checkout](#)
- Enter your billing information – click on Place Order
- Add Payment Details - click **PAY**

Downloading digital file:

- Click on My Account (right-hand side)
- Click on Downloads (right-hand side)
- Click on pdf link under Download
- Save file to desktop

Once the file downloads, please be sure to save your PDF to your computer, if not already done so. When opening the digital reader file, enter in your website/login password when prompted. **Make sure to use the same password used when account was created/used to log in, as that is the password that attaches itself to the digital file purchased.**

**(Keep in mind:** Each time you download and/or access your digital file, you will be instructed to input your password)

If you need further assistance or have any questions, please contact us at 800.934.9313 or [custom.publishing.readers@usc.edu](mailto:custom.publishing.readers@usc.edu)

#### **NO AI USAGE PERMITTED**

Since creating, analytical, and critical thinking skills are part of the learning outcomes of this course, all assignments should be prepared by the student working individually or in groups. Students may not have another person or entity complete any substantive portion of the assignment. Developing strong competencies in these areas will prepare you for a competitive workplace. Therefore, using AI-generated tools is prohibited in this course, will be identified as plagiarism, and will be reported to the Office of Academic Integrity.

## COURSE INFORMATION: GRADING, ASSIGNMENTS, AND SCHEDULE

### Grading:

*Your final course grade in BAEP 554 will represent how you perform in the course relative to all other students and not by percentage of points earned.*

All written assignments must be properly uploaded into Brightspace for grading. It is the student's sole responsibility to make certain her/his Team and individual assignments are posted to Brightspace.

Your final course grade based upon student ranking for BAEP 554 will be determined using the following point totals:

| Assignments<br>Due Date                 | Points                               |
|---|--------------------------------------|
| <b>Individual Assignments:</b>          |                                      |
| What Type of Business Do You Want Paper | January 21<br>100                    |
| Legal Case Study Paper                  | February 4<br>100                    |
| Test Driving Your Business Opportunity  | March 11<br>50                       |
| Entrepreneur Interviews/Sales Paper     | April 8<br>200                       |
| Individual Team Assessment              | April 30<br>100                      |
| Class Participation (Please see below)  | <u>100</u><br><b>650</b>             |
| <b>Team Assignments:</b>                |                                      |
| Concept Statements Paper                | January 28<br>100                    |
| Working Customer Grid                   | February 11<br>100                   |
| FAQs                                    | March 4<br>50                        |
| Key Vital Factors                       | April 22<br>50                       |
| Team Playbook Presentation              | April 29<br><u>200</u><br><b>500</b> |
| <b>Total Points</b>                     | <b>1,150</b>                         |

LATE WORK WILL LOSE 10% of the POINTS for each week it is late. After the second week, you will not receive a grade. Always post your work to Brightspace before the respective Class session. It is the student's responsibility to make certain assignments are properly uploaded into Brightspace.

Note: Teams are comprised of four-five students. You will select your Teams. Please sign-up your Teams on Brightspace.

## **Participation and Class Assignments:**

### **Class participation\***

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

**50 points**—student is moderately engaged in class on a periodic basis and occasionally contributes insightful questions and thoughts.

**25 points**—student is somewhat engaged in class contributing obvious questions and thoughts.

**0 points**—student does not contribute to class discussions.

## **Course Deliverables:**

**Due: January 21, 1:59pm**

### **What Type of Business Do You Want Paper [100 points/Individual Assignment]**

In three pages or less, discuss what type of business you might want to start. Whether on your own, with co-founders or within an existing organization. Do you want a lifestyle business or one that requires outside capital from investors? What is important to you when starting a business—money, independence, making a difference or ? What might you want to avoid in your business?

**Due: January 28, 1:59pm**

### **Team Concepts Paper [100 points/Team Assignment]**

You have taken a course in Venture Feasibility Analysis and now it is time to put these entrepreneurial tools to work for you with your Team.

### **Assignment Instructions**

This is a Team assignment consisting of two parts: (1) evaluation of the team members' individual ideas ("opportunity recognition") and the selection of the best concept to work on further; 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**

- A single Team document not to exceed three (3) pages
- A cover page listing the names of all Team members (cover not included in the page limit)

Please organize your paper as follows:


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:

- Company name
- What the company does (manufacturer, distributor, marketplace, consulting firm, etc.)

- 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. Once the concept statement is crafted, craft two additional statements changing one or more elements. In other words, craft variations knowing that the first statement may be incorrect. **Hence, three separate and complete concept statements are required for this assignment.**



**USC Marshall**  
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**BAEP 554**  
**Team Concept Statements Grade Sheet**

OMBA TEAM NAMES: \_\_\_\_\_

Articulate in one paragraph each concept and its underlying business model (total of 3 paragraphs). One Team member submits to Brightspace with all Team member's names on the assignment submission.

**You must create brief three concept statements.**

|   |                     |
|---|---------------------|
| Company Name  | 10 ____pts.         |
| Define what your company does (manufacturer, distributor, etc.) | 15 ____pts.         |
| Product/service defined   | 15 ____pts.         |
| Target customer(s) defined                                      | 15 ____pts.         |
| Customer benefit(s) [value prop.] defined                       | 15 ____pts.         |
| Distribution channel(s) identified                              | 15 ____pts.         |
| Summary revenue model defined                                   | 15 ____pts.         |
| <b>Total project</b>  | <b>100 ____pts.</b> |

**Due: February 4, 1:59pm**  
**Legal Case Vignette [100 points/Individual Assignment]**

With the knowledge learned from this class session, please read the following vignette and in two pages or less identify the potential legal issues presented in the fact situation below.

Entrepreneurship Vignette

"Common Legal Entrepreneur Mistakes"

It was a night to remember. You and two close friends brainstorming business ideas that led to the decision to quit your day jobs and start a business. You were smart enough to realize from that job that your employer was missing a business opportunity. The first order of business was engaging another friend to write code for the app. Good news-the friend, an experienced coder for Google, agreed verbally to take 5% in stock in exchange for her programming services. She begins coding.



Within a week, word gets around about your start-up and two other friends volunteer to help in the business building the website, creating marketing materials and posting blogs. They agreed to defer all compensation with the promise that you'll give them some equity downstream. It's great to have friends!

Things are moving fast. One of your start-up partners selects a company name and immediately creates a logo online for \$99. She also gets a new credit card in the company name and, hoping to get a large sign-up bonus, begins to purchase company supplies and some personal items. With that done, you all go out to call on customers, and believe it or not, you come back with a customer check for \$100! You are off to the races!

**Due: February 11, 1:59pm**

**Working Customer Grid with Sales Distribution Channels [100 points/Team Assignment]**

Your Team has submitted its initial concept statement. Your concept statement included your initial thoughts about product/service, target customer, distribution channel, customer benefits and revenue model. Now your Team will dig deeper exploring possible alternative customers, the distribution channels necessary to reach the customers in various segments, the likely benefits driving the customer "buy decision" and the likely competition in each customer segment. For this assignment, your Team will present in a matrix what it "thinks" versus what it "knows." However, this matrix will become your roadmap to test customers prior to your Team's final Playbook Presentation.

Included in your Team's Working Customer Grid is your sales distribution channels that provide a venture different ways its products or services reach customers. Interviewing potential customers within customer segments will usually lead us to the correct channel. For example:

- Direct Sales: Selling directly to consumers without intermediaries, such as through a company website or internal or external sales representatives.
- Retail Stores: Involves selling products through physical stores or online retailers, allowing customers to browse and purchase.
- Wholesale: Distributors buy in bulk from manufacturers and sell to retailers or other businesses, often at a lower price.



- Online Sales: Utilizing e-commerce platforms, businesses can reach a broader audience through their own websites or third-party marketplaces.
- Franchising: Allowing other businesses to operate under your brand in exchange for fees or a percentage of sales.
- Agents/Brokers: Independent parties that help sell products on behalf of a manufacturer, often receiving a commission for their services.
- Distributors: Companies that take on the role of stocking and selling products to retailers or directly to consumers.
- Multichannel: Combining several channels to reach customers, providing flexibility and options for how they purchase.

Each channel has its advantages, obstacles and challenges, and the best choice often depends on the target customer segment and business strategy.

### **Working Customer Grid with Sales Distribution Channels**

Prepare a concept grid listing all the alternative customers you are considering, how you will reach each of your potential customers and the benefits you will transfer to them. In the fourth column list your primary competitor(s) by name.

A template for the Working Customer Grid will be found in Brightspace.

### **Team written deliverable due February 11, 1:59pm**

- A single Team document comprised of a single matrix
- A cover page listing the names of all Team members (cover not included in the page limit)

## Working Customer Grid Grade Sheet

| BAEP 554<br>Working Customer Grid<br>Team Assignment<br>100 points   |    |    |            |                  |
|--|----|----|------------|------------------|
| TEAM NAMES: _____  |    |    |            |                  |
| To understand the alternatives presented to the customer and the relative position of your own proposal, prepare a <b>Working Customer Grid</b> ( <i>your customer hypothesis</i> ) listing: |    |    |            |                  |
| 1. The alternative customer segments you are considering,<br><small>List at least five customer segments.</small>  | 20 | 18 | 16         | 14               |
| 2. The means by which you will reach each of your potential customers (Distribution Channel)<br><small>List at least three potential channels/customer segment</small>                       | 20 | 18 | 16         | 14               |
| 3. The benefits (Customer Value) you will transfer to them<br><small>List at least three benefits (not features)/customer segment</small>  | 20 | 18 | 16         | 14               |
| 4. In the fourth column list your primary competitors by name<br><small>List at least three competitors/customer segment</small>   | 20 | 18 | 16         | 14               |
| Overall paper quality of your hypothesis   | 20 | 18 | 16         | 14               |
| <b>Total Score</b>   |    |    | <b>100</b> | <b>_____pts.</b> |

### **Due: March 4, 1:59pm**

#### **FAQs [50 points/Team Assignment]**

FAQs are valuable to both your customers and to your venture, because they provide quick answers to common questions, helping customers find information efficiently. They can enhance the customer experience by addressing concerns upfront, saving time for customers and your venture's customer service and support teams. Plus, they often clarify important details that might otherwise lead to confusion.

For this assignment, craft up to six (6) FAQs with suggested short answers. Use your Team's selected Concept Statement and lessons learned from our guests and lectures when crafting this assignment.

### **Due: March 11, 1:59pm**

#### **Test Driving Your Business Opportunity Spreadsheets [50 points/Individual Assignment]**

In the long run, ventures succeed and fail on their financial basis.

When an entrepreneur determines financial projections, he/she considers many factors, such as: start-up costs; fixed and variable operational costs; sales forecasts (price/unit of items sold X volume); and gross margin (sales price less cost of goods sold less variable costs associated with

sales). They also need to assess whether they believe that her/his concept is financially worth their time and effort (does this business make “cents” for me).

In this session, we will focus on how entrepreneurs establish initial product/service price, determine financial premises for fixed and variable costs, arrive at a sales forecast, calculate the entrepreneurs’ bet, and craft initial profit & loss and cash flow statements leading to a “go” or “no go” decision based upon the financial risks. In presenting the material, we will conduct an imaginary tour of a business opportunity.

To assist us in learning about entrepreneurial financial forecasting, please read the following real case study and answer the questions below by preparing the initial P&L and Cash Flow Statement using the given blank spreadsheets. Note: The final financial statements will be posted to Brightspace after class Week 9, March 11.

**BAEP 554**  
**TEST DRIVING YOUR BUSINESS START**

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You have been retained as a consultant to assist in starting up a firm to repair automobiles. The principals have experience in the industry but have no financial expertise. You do and your expertise is needed to design a full financial package, which includes break-even analysis, projection of profit and loss, cash flow break-even, and finally a package to present to potential investors.

After completing a blind tour with the principals, the following facts are available:

A building will be leased for one year for \$6,000 per month with a security deposit of one month due on signing.

Start up cost for legal incorporation as well as various deposits for utilities, is \$2,000. Ignore amortization.

You forecast sales to grow from \$15,000 in month two, by \$15,000 a month until they reach \$90,000 per month and hold.

New employees will be hired as sales increase. They will initially hire three employees in month one at a total cost of \$7,000 per month (including taxes etc.). You will hire a total of four additional workers at \$2,000 each, two each in month four and six.

The two principals will do the selling and management and have agreed to start their salaries at \$2,000 per month each and increase them to \$4,000 each when sales total \$60,000. The bookkeeper will be paid \$1,000 per month and starts to work in month one.

You anticipate G & A expenses of \$5,000 per month fixed plus 20% sales.

Collections will average 15 days. (Do not consider inventories). Cost of materials is 15% of the amount billed, cash on delivery.

You will purchase \$15,000 of equipment. Disregard depreciation.

- A) How much money will the company need to start? When will the P & L break-even occur? When will cash break-even occur?
- B) Should you start this business?

| TEST DRIVING YOUR BUSINESS OPPORTUNITY PRO FORMA PROFIT & LOSS FROM OPERATIONS - Worksheet One |              |   |   |   |   |   |   |   |   |    |    |    |       |
|--|--------------|---|---|---|---|---|---|---|---|----|----|----|-------|
| MONTH  | 1            | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
| PREMISE  |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Sales Forecast   | Per Forecast |   |   |   |   |   |   |   |   |    |    |    |       |
| Total Sales Forecast   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Variable Cost  |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Material Costs   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Salaries (incl. tax)   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Total Variable Cost  |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Fixed Expenses   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Salaries - Principal   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Bookkeeper salary  |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Building Rent  |              |   |   |   |   |   |   |   |   |    |    |    |       |
| General & Adm  |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Total Fixed Expenses   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Total Cost   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Net Profit or (Loss)   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Cumulative P&L   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Break Even Point ?   |              |   |   |   |   |   |   |   |   |    |    |    |       |
| Place an X underneath where it occurs.   |              |   |   |   |   |   |   |   |   |    |    |    |       |

| TEST DRIVING YOUR BUSINESS OPPORTUNITY PRO FORMA CASH FLOW (AR 15 Days) - Sensitivity Analysis Work S |              |   |   |   |   |   |   |   |   |   |    |    |    |
|---|--------------|---|---|---|---|---|---|---|---|---|----|----|----|
| Premise   | Prestart     | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Sales Forecast  | Per Forecast |   |   |   |   |   |   |   |   |   |    |    |    |
| Cash Receipts   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Cash Receipts   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Upfront Cash  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Upfront Cash  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Variable Cost   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Variable Cost   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Fixed Expenses  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Fixed Expenses  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Cash Expenditures   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Net Cash In / Out Per Mo  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Cash Balance - Beg of Mo  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Net Cash In / Out Per Mo  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Cash Balance  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Entrepreneur Bet  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Place an X underneath where it occurs.  |              |   |   |   |   |   |   |   |   |   |    |    |    |

| TEST DRIVING YOUR BUSINESS OPPORTUNITY PRO FORMA CASH FLOW (COD) - Sensitivity Analysis Work Sheet T |              |   |   |   |   |   |   |   |   |   |    |    |    |
|--|--------------|---|---|---|---|---|---|---|---|---|----|----|----|
| Premise  | Prestart     | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Sales Forecast   | Per Forecast |   |   |   |   |   |   |   |   |   |    |    |    |
| Cash Receipts  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Cash Receipts  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Upfront Cash   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Upfront Cash   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Variable Cost  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Variable Cost  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Fixed Expenses   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Fixed Expenses   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Total Cash Expenditures  |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Net Cash In / Out Per Mo   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Cash Balance - Beg of Mo   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Net Cash In / Out Per Mo   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Cash Balance   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Entrepreneur Bet   |              |   |   |   |   |   |   |   |   |   |    |    |    |
| Place an X underneath where it occurs.   |              |   |   |   |   |   |   |   |   |   |    |    |    |

**Due: April 8, 1:59pm [200 points/Individual Assignment]  
Entrepreneur Interviews-Sales Stories and Experiences**

*Nothing happens until a sale is made.* Regardless of the founder’s background and skillset, she/he must be the best salesperson for their new venture for a considerable time.

No one knows the product/service better than the founder. No one cares more about the venture than the founder. No one has more credibility about the venture’s product/service than the founder. If “it” is going to happen, the founder must be the “go-to” person when engaging in sales with a customer, partner, distributor, manufacturer, banker, etc.

For this assignment, select and interview three (3) founders from three different ventures. Ask them about their background/skillset prior to starting their venture. Ask them about their experience leading the venture’s sales. What has been their biggest challenge? What have they learned about the sales process? What insights have they gained interfacing with customers? Did they fear sales in the beginning? Have they learned to “love” the sales process? If they have hired sales professionals, discuss the ups and downs.

Your written paper should not exceed 5 pages (1.5-spaced, one-inch margins, 12-point font). It should NOT contain a verbatim transcript of the interview. Use headings. If appropriate, use literature citations to enhance your interview analysis. What were your takeaways/lessons learned from these individuals?

Good luck!

| BAEP 554<br>Interview of Three Entrepreneurs<br>Sales Insights<br>Grade Sheet<br>Individual Assignment<br>200 Points  |             |             |             |
|---|-------------|-------------|-------------|
| Student: _____  |             |             |             |
| <b>Interview Project:</b> Conduct an in-person interview with <b>three</b> entrepreneurs whom you do not know. Your written paper should not exceed <b>5 pages</b> (1.5-spaced, one-inch margins, 12-point font). It should NOT contain a verbatim transcript of the interview. Use headings. |             |             |             |
|   | <b>Weak</b> | <b>Good</b> | <b>Wow!</b> |
| 1. <b>Why was this person was chosen?</b><br>Did your paper reflect what you had hoped to learn?  | 25          | 35          | 40          |
| 2. <b>What were they doing at the time they started their ventures?</b><br>Did they have industry experience? Did they have sales experience?<br>Was it a solo or team startup?   | 15          | 25          | 30          |
| 3. <b>At venture launch, did they see themselves as the top salesperson for the business?</b><br>What primary duties did they see themselves doing?<br>If not them, who did they believe would lead sales?  | 15          | 25          | 30          |
| 4. <b>What sale are they most proud of and why?</b>   | 25          | 35          | 40          |
| 5. <b>What sales advice did you get from them?</b>  | 45          | 55          | 60          |
| <b>Total</b>  | _____       |             |             |
| Papers are graded with the intent that you will get the “good” grade.<br>Doing something that really gets my attention gets a “Wow.”  |             |             |             |

**Due: April 22**

**Key Vital Factors [50 points/Team Assignment]**

Using what has been learned in Mike Caito’s session on April 15, in a not to exceed two (2) pages, list the Team’s vital factors when operating the venture. The vital factors should be included in the Playbook Presentation on April 29.

**Due: April 29**

**Team 10-Minute Playbook Presentation**

**Team size:** 4-5 students

**Playbook Presentation:** the Teams may **either** present a new venture **or** a new venture opportunity within an existing business

**Presentation requirements:**

- Presentation slides are required and must be uploaded into Brightspace
- The presentations will be evaluated by Professor Mednick

**Team 10-Minute Playbook Evaluation Score Card**

| USC Marshall<br>School of Business   |  | 10-Minute Playbook Score Card                               |      |      |      |      |      |
|--|--|---|------|------|------|------|------|
|  |  | [Assume a final Team score in the very good to good range.] |      |      |      |      |      |
| Evaluation Category  | Points                                       | Team  | Team | Team | Team | Team | Team |
| Business Executive Summary   | E: 30- 27<br><b>VG: 26-23</b><br>G: 22-0     |   |      |      |      |      |      |
| So what?<br>What’s the problem?<br>How big is the problem?   | E: 35- 32<br><b>VG: 31-28</b><br>G: 27-0     |   |      |      |      |      |      |
| Why will you win?<br>Solution<br>Team  | E: 35- 32<br><b>VG: 31-28</b><br>G: 27-0     |   |      |      |      |      |      |
| Customer Market/Distribution<br>Channel(s)/Competition Matrix  | E: 35- 32<br><b>VG: 31-28</b><br>G: 27-0     |   |      |      |      |      |      |
| Legal Entity Strategy/Business<br>Strategy Plan/Operations Plan/<br>Sales Model Plan                             | E: 35- 32<br><b>VG: 31-28</b><br>G: 27-0     |   |      |      |      |      |      |
| Financial Projections-Product/<br>service price/sales forecast/3<br>Year Pro Forma Financial<br>Statement (req.) | E: 30- 27<br><b>VG: 26-23</b><br>G: 22-0     |   |      |      |      |      |      |
| <b>Total</b><br><b>E = Excellent; VG = Very</b><br><b>Good; G = Good</b>   | E: 200-182<br><b>VG: 181-166</b><br>G: 165-0 |   |      |      |      |      |      |



## **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.

## **Statement on Academic Conduct**

### **Academic Conduct:**

Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, "Behavior Violating University Standards" [policy.usc.edu/scampus-part-b](http://policy.usc.edu/scampus-part-b). Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, [policy.usc.edu/scientific-misconduct](http://policy.usc.edu/scientific-misconduct).

### **Support Systems:**

*Counseling and Mental Health* - (213) 740-9355 – 24/7 on call  
[studenthealth.usc.edu/counseling](http://studenthealth.usc.edu/counseling)

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

*National Suicide Prevention Lifeline* - 1 (800) 273-8255 – 24/7 on call  
[suicidepreventionlifeline.org](http://suicidepreventionlifeline.org)

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

*Relationship and Sexual Violence Prevention Services (RSVP)* - (213) 740-9355(WELL), press "0" after hours – 24/7 on call  
[studenthealth.usc.edu/sexual-assault](http://studenthealth.usc.edu/sexual-assault)



Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

*Office of Equity and Diversity (OED) - (213) 740-5086 | Title IX – (213) 821-8298*  
[equity.usc.edu](http://equity.usc.edu), [titleix.usc.edu](http://titleix.usc.edu)

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

*Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298*  
[usc-advocate.symphlicity.com/care-report](http://usc-advocate.symphlicity.com/care-report)

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity | Title IX for appropriate investigation, supportive measures, and response.

*The Office of Disability Services and Programs - (213) 740-0776*  
[dsp.usc.edu](http://dsp.usc.edu)

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

*USC Campus Support and Intervention - (213) 821-4710*  
[campussupport.usc.edu](http://campussupport.usc.edu)

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

*Diversity at USC - (213) 740-2101*  
[diversity.usc.edu](http://diversity.usc.edu)

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

*USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call*  
[dps.usc.edu](http://dps.usc.edu), [emergency.usc.edu](http://emergency.usc.edu)

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

*USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call*  
[dps.usc.edu](http://dps.usc.edu)

Non-emergency assistance or information.

*Office of the Ombuds - (213) 821-9556 (UPC) / (323-442-0382 (HSC)*  
[ombuds.usc.edu](http://ombuds.usc.edu)

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

## **Support Systems**

If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* will provide safety and other updates, including ways in which instruction will be continued by means of Brightspace, teleconferencing, and other technology.

*The Office of Disability Services and Programs – (213) 740-0776*

[The Disability Services and Programs](#) (DSP) office 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 DSP each semester.

*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. Go to: [USC Engemann Student Health Center Website](#)

*[988 Suicide and Crisis Lifeline](#) - 988 for both calls and text messages – 24/7 on call*

The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline is comprised of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

*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. Go to: [USC Engemann RSVP Services](#)

*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: [Sexual Assault Resource Center](#)

*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. Go to: [Office of Equity and Diversity Website](#)

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. Go to: [USC Student Affairs - Bias Assessment Response and 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. Go to: [USC Student Affairs - Student Support and Advocacy](#)

*Diversity at USC – [Diversity Matters](#)*

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

*American Language Institute - [ALI](#)*

Students whose primary language is not English should check with the *American Language Institute*, which sponsors courses and workshops specifically for international graduate students.

### **No AI usage permitted**

Since creating, analytical, and critical thinking skills are part of the learning outcomes of this course, all assignments should be prepared by the student working individually. Students may not have another person or entity complete any substantive portion of the assignment.

Developing strong competencies in these areas will prepare you for a competitive workplace.

Therefore, using AI-generated tools is prohibited in this course, will be identified as plagiarism, and will be reported to the Office of Academic Integrity.

### **USC Statement on Academic Conduct and Support Systems**

#### **Academic Integrity:**

The University of Southern California is a learning community committed to developing successful scholars and researchers dedicated to the pursuit of knowledge and the dissemination of ideas. Academic misconduct, which includes any act of dishonesty in the production or submission of academic work, comprises the integrity of the person who commits the act and can impugn the perceived integrity of the entire university community. It stands in opposition to the university's mission to research, educate, and contribute productively to our community and the world.

All students are expected to submit assignments that represent their own original work, and that have been prepared specifically for the course or section for which they have been submitted. You may not submit work written by others or “recycle” work prepared for other courses without obtaining written permission from the instructor(s).

Other violations of academic integrity include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), collusion, knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage.

The impact of academic dishonesty is far-reaching and is considered a serious offense against the university. All incidences of academic misconduct will be reported to the Office of Academic Integrity and could result in outcomes such as failure on the assignment, failure in the course, suspension, or even expulsion from the university.

For more information about academic integrity see [the student handbook](#) or the [Office of Academic Integrity's website](#), and university policies on [Research and Scholarship Misconduct](#).

Please ask your instructor if you are unsure what constitutes unauthorized assistance on an exam or assignment, or what information requires citation and/or attribution.

### **Students and Disability Accommodations:**

USC welcomes students with disabilities into all the University's educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at [osas.usc.edu](https://osas.usc.edu). You may contact OSAS at (213) 740-0776 or via email at [osasfrontdesk@usc.edu](mailto:osasfrontdesk@usc.edu).

### **System Requirements**

### **Technical Support**

- For Brightspace support go to [USC ITS Services Website](#) or call USC ITS at 213.740.555
- Marshall Learning Environment: Open Expression and Respect for All**

The USC Marshall School of Business shares the University's [Unifying Values](#):

- We act with integrity in the pursuit of excellence.
- We embrace diversity, equity and inclusion to promote well-being.
- We engage in open communication and are accountable for living our values.

We value each person's humanity and voice and strive to ensure that every member of our community feels that they belong and are respected.

We support the USC Statement protecting free speech and the academic freedom of faculty and students. Certain limited categories of speech are not protected by the law, such as expression that is defamatory, incites violence, constitutes a true threat or unlawful harassment, or violates privacy, confidentiality, or intellectual property rights. But other than the limited categories of legally unprotected speech, we are committed to fostering a learning environment where free inquiry and expression are encouraged and celebrated and for which all members of the Marshall community share responsibility. We recognize that speech that is deeply offensive may nevertheless be legally protected and seek to restrain ourselves from responding with censorship or reprisal.

The classroom is an environment in which students and faculty should not feel they will be punished, ostracized, or humiliated for speaking up with ideas, questions, or concerns, or for making mistakes. As part of the educational process, students and faculty will discuss topics that may make some people uncomfortable, unhappy, distressed, or even offended. Sometimes there will be strong disagreements about these topics, and the care with which they are discussed is paramount. It is the shared responsibility of members of our community: to treat each other with courtesy, dignity and respect; to appreciate the spectrum of viewpoints on an issue; and to be actively involved in working through contentious issues together.

## **BAEP 554 – Venture Initiation**

### **WEEK 1 – Course Introduction; E Fundamentals; Review of Venture Feasibility January 14**

#### **Class Discussion:**

Course Introduction, Assignments and Expectations  
E Fundamentals/Building an Entrepreneurial Foundation  
Venture Entry Strategies  
Venture Feasibility Review  
Team Formation

#### **Course Overview and Entrepreneurship Fundamentals**

In this session, we layout the entire course, including course content, expectations, assignments and deliverables. We also discuss the elements associated with building an entrepreneurial foundation including “The E Rules.” Finally, we will discuss likely entry strategies behind opportunity recognition leading to ideation and venture launch.

#### **Venture Feasibility Analysis Review**

The model used at Marshall and now adopted by many other institutions is termed a “Venture Feasibility Analysis.” It was created for two major reasons. The first is that business plans are not a good paradigm to help entrepreneurs launch. This is because business plans almost always are about raising money, which is not the appropriate step now, and business plans always show the perfect outcome happening when, in fact, it is building on mistakes and repositioning the components of the concept that create most successful startups. The second reason is that feasibility shows all the possible alternatives when starting a venture making them a perfect teaching paradigm.

#### **Readings:**

HBR article: *How to Design a Winning Business Model*  
HRR article: *Why the lean Start-up Changes Everything*  
*Bootstrapping Your Business, Get Real. Get Started.* Article.

### **WEEK 2 – Business Plan vs. Venture Feasibility Analysis/Team Concept Statement Development January 21**

**Assignment Due: What Type of Business Do You Want Paper [100 points/Individual Assignment]**

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

#### **Class Discussion:**

Business Plan vs. Venture Feasibility Analysis-similarities and differences

Concept Statement development

Team Workshop-brainstorming ideas to initial business concepts

### **Business Plan vs. Venture Feasibility Analysis**

Where Venture Feasibility Analysis is written for you, a Business Plan can be written for either an internal or external audience. What are the similarities and what are the differences?

### **Team Concept Workshop and Assignment Submission**

You have taken a course in Venture Feasibility Analysis and now it is time to put these entrepreneurial tools to work for you with your Team.

### **Assignment Instructions**

This is a Team assignment consisting of two parts: (1) evaluation of the team members' individual ideas ("opportunity recognition") and the selection of the best concept to work on further; 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**

- A single Team document not to exceed three (3) pages
- A cover page listing the names of all Team members (cover not included in the page limit)

### **Content and grading**

This class assignment is worth 100 points. Please organize your paper as follows:

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:

- Company name
- What the company does (manufacturer, distributor, marketplace, consulting firm, etc.)
- 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. Once the concept statement is crafted, craft two additional statements changing one or more elements. In other words, craft variations knowing that the first statement may be incorrect. **Hence, three separate and complete concept statements are required for this assignment.**

**This assignment must be uploaded into Brightspace by 1:59pm, January 28.**

**Reading:**

*Beating the Odds When You Launch a New Venture*, HBR.

**WEEK 3 – Legal Essentials**  
**January 28****Assignment Due: Team Concepts Paper [100 points/Team Assignment]****Guest: Bart Greenberg, Esq., Pivotal Law Firm**

Bart previously co-founded Pivotal after having spent over 25 years at big law firms, including Haynes and Boone, LLP and Manatt, Phelps & Phillips, LLP, practicing general corporate law with an emphasis on mergers and acquisitions, debt and equity financings and the cost-effective representation of entrepreneurs, start-ups and emerging technology companies.

Bart's experience extends to all types of general corporate matters, essentially serving as outside general counsel to most of his clients. Such matters include, among others, mergers and acquisitions, with an emphasis on consolidations and roll-up strategies; private securities offerings, with an emphasis on those for emerging technology companies, including so-called "friends and family," angel and venture capital financings; debt financings, including senior credit facilities, as well as mezzanine, subordinated and vendor-facilitated debt facilities; the formation of business entities, such as corporations, limited liability companies and joint ventures; shareholder and buy-sell agreements; employment and consulting agreements; and employee compensation matters, with an emphasis on providing equity incentives to employees through the use of restricted stock, stock options and phantom stock plans.

Experienced entrepreneurs understand the value of surrounding themselves with trusted advisors. Many entrepreneurs set themselves up for real problems if they don't protect themselves, the business and its intellectual property from the beginning. In this session, we will hear from a leading attorney to many early-stage businesses about the common mistakes many entrepreneurs make when launching a business.

**Class Discussion:**

The Teams will engage with a transactional attorney to conduct an initial client meeting. In this session, the Teams will learn about and make decisions about:

## 1. Formation Documents:

- Incorporation (DE vs. CA)
  - Articles
  - Action by Incorporator
  - Bylaws
  - First Board Action
  - Shareholder Action
  - Contribution Agreements
  - Shareholder Agreement
  - Tax Elections
  - Stock Certificates
  - Securities Filings
  - Information Statement to State
- LLC (DE vs. CA)
  - Certificate of Formation
  - Operating Agreement
  - First Board Action

- Member Action
  - Contribution Agreements
  - Tax Elections
  - Membership Certificates
  - Securities Filings
  - Information Statement to State
2. Equity Incentive Plans
  3. Confidential Information and Inventions Assignment Agreement
  4. Simple Form of Employment Agreement and/or Consulting Agreement

**Key Takeaways:**

- Learn entity formation options
- Learn where it might be best to file your entity
- Develop a checklist when hiring employees
- Tax and securities matters
- Essential elements to include in a Confidential Information and Inventions Assignment Agreement
- Essential elements to include in an Employment and/or Consulting Agreement

**Individual Assignment Due February 4, 1:59pm**

With the knowledge learned from this class session, please read the following vignette and in two pages or less identify the potential legal issues presented in the fact situation below.



Entrepreneurship Vignette

"Common Legal Entrepreneur Mistakes"

It was a night to remember. You and two close friends brainstorming business ideas that led to the decision to quit your day jobs and start a business. You were smart enough to realize from that job that your employer was missing a business opportunity. The first order of business was engaging another friend to write code for the app. Good news-the friend, an experienced coder for Google, agreed verbally to take 5% in stock in exchange for her programming services. She begins coding.



Within a week, word gets around about your start-up and two other friends volunteer to help in the business building the website, creating marketing materials and posting blogs. They agreed to defer all compensation with the promise that you'll give them some equity downstream. It's great to have friends!

Things are moving fast. One of your start-up partners selects a company name and immediately creates a logo online for \$99. She also gets a new credit card in the company name and, hoping to get a large sign-up bonus, begins to purchase company supplies and some personal items. With that done, you all go out to call on customers, and believe it or not, you come back with a customer check for \$100! You are off to the races!

**Readings:**

HBP: *Entrepreneurial Decisions and Legal Issues in Early-Stage Ventures: Advice That Shouldn't be Ignored.*

HBR: *How Non-competes Stifle Performance.* On Amir and Orly Loble

**WEEK 4 – Building Your Sales Distribution Strategy in CPG  
February 4**

**Assignment Due: Legal Case Vignette [100 points/Individual Assignment]**

**Guest: Vanessa Dew, Co-Founder, Health-Ade**

Vanessa Dew co-founded Health-Ade Kombucha in 2012 alongside her best friends and husband-and-wife team, Justin and Daina Trout. As Chief Sales Officer, Dew brings an invaluable knowledge of sales and marketing amassed from years spent at a major pharmaceutical company before leaving to help start Health-Ade Kombucha. Through her expertise in channel penetration and people management, Dew has led Health-Ade's sales team to boost availability in key channels and markets, while cultivating the Health-Ade brand as a whole. The brand is now available in 30,000 stores including Whole Foods, Target and Trader Joes. Health-Ade has 300 employees.

Originally from Los Angeles, Dew received her BS in Biochemistry from UC San Diego and an MBA from the University of Southern California. One of her passions is to give back to the community and other entrepreneurs and serves as a USC Marshall Mentor, advises several, young CPG companies, and is an active member of the Female Founder Collective, Entrepreneur's Organization (EO) and Asian Business Association (ABA). She has been awarded the NextGen Innovation Award and has spoken on her entrepreneurial journey from Singapore to NYC

## **Class Discussion:**

Learn the fundamentals of CPG distribution strategy through the lens of Health-Ade's journey from farmers market startup to national brand. This session covers critical aspects of distribution partnerships, category management, and performance optimization in the CPG space.

### Intro: The Health-Ade Origin Story

- Early distribution decisions
- Key inflection points in growth

### Channel Strategy Through Health-Ade's Lens

- Starting Small: Farmers Markets to Local Retail
- Testing product-market fit
- Building brand advocacy
- Local store relationships
- Real numbers breakdown

### Distribution Landscape & Strategy

- CPG distribution ecosystem overview
- Early-stage channel strategy
- Distribution partnership development

### Channel Penetration/Growth

- Scaling Through Natural Channel
- Regional expansion strategy
- Investment in sales infrastructure
- Category management fundamentals
- Sales velocity and other KPIs
- Managing growth constraints
- Mass Market and DTC Evolution
- Distributor partnership criteria
- Modern DTC integration

### Practical Channel Management

- Channel Economics Deep Dive
- Managing Channel Conflicts
- Promotion & Pricing
- Territory management

### Other Considerations

- Building the Right Team at Different Stages
- Broker vs. direct sales decisions
- Production scaling decisions
- Working capital management
- Inventory/demand planning and allocation
- Growth financing strategies

**Key Takeaways:**

- Channel strategy evolution based on brand life stage
- Critical success factors for each channel
- Master the fundamentals of distributor partnerships
- Resource allocation frameworks
- Common pitfalls to avoid

**WEEK 5 – Mistakes Entrepreneurs Make When Launching a Business  
February 11****Assignment Due: Working Customer Grid with Sales Distribution Channels [100 points/Team Assignment]****Guest: Steven Myers, Founder & CEO, SM&A**

Steven Myers is a successful four-time CEO and serial entrepreneur, director of public and private company boards, CEO coach, public speaker, author, and aviator. He has conducted business in a dozen countries in Europe and Asia. He is an Ernst & Young “Entrepreneur of the Year” for Software and Information Services. He graduated from Stanford University with a BS in Mathematics, is a two-time US Air Force veteran, and a recipient of the California Governor’s Special Recognition Award, and the FAA Wright Brothers Award.

**Class Discussion:**

Entrepreneurship is a work in progress. Few have the qualities essential for success in leading a business. A high tolerance for ambiguity in the face of relenting uncertainty requires courage. The tenacity needed to push through all the uncertainty around your vision requires persistence. But courage and persistence alone will not save you from making fatal errors in the early stages of your business. Every business starts out with high hopes and ambitions. Yet most fail within the first few years. They run out of money, have poor margins, high turnover, weak people, a poor reputation with their customers, and so on. But these are outcomes of a common issue. How could this happen to any business able to make a go of it in the first place? The root cause is always about the same thing...poor leadership by the entrepreneur! This class will explore the most significant causes of leadership failure, and what you can be do about it.

- Failure to commit personally. There is no safety net!
- Undercapitalization of the business/too much debt on the business
- Lack of understanding about the domain you’re operating in, your customers, and your competitors.
- Not understanding and quantifying your value to your customers
- Lack of clarity around your business model. How do you actually make money?
- Not hiring the right people/not firing the wrong people
- Your integrity, your values, and how you communicate them
- Failure to fire bad customers
- Not recognizing what is constraining your adapting to change and growth
- Focusing only on your strengths/not addressing your weaknesses
- Misaligned interests between you, your organization, your clients, and your suppliers

**Key Takeaways:**

- As the founder/CEO, what not to do when scaling a business
- Learn what the costs may be if you focus on the “wrong” stuff
- Learn the value of the “right” customers and the costs of retaining “bad” customers

**WEEK 6 –Scaling with Limited Resources  
February 18****Guest: Cathy Kim, COO, Valer, Inc.**

Cathy Kim is Valer’s COO and is fanatically dedicated to the success of Valer’s clients. It is her fond memories of working in her father’s medical practice and the purposeful joy of providing the very best care that brought her back to the healthcare industry.

She brings a decade’s worth of startup experience with companies such as Ammonia and Arzon Solar LLC, where she focused on business development and operations. Before Cathy was in operations, she practiced law. She was a Senior Associate at Winston & Strawn, LLP and an Associate at Allen Matkins Leck Gamble & Mallory.

Cathy received her bachelor’s degree in history from Yale University, her JD from the University of California Hastings College of Law, and her MBA from the University of Southern California Marshall School of Business.

**Class Discussion:**

- Ideally – Bootstrap or limited F&F rounds of money to be *Captain of Your Destiny*
- Competitive advantage as a startup – You can move FAST; you aren’t burdened by bureaucracy yet
- Sales – You *need* sales, and you should be talking to your customer (or potential customer) every day
- Resource Limitations
  - Money
  - People – Swiss army knives not sushi filet knives (hiring and finding)
  - Talents/Skill Sets – Core company needs, finance, legal, HR, other operations
- Developing Culture
- Upside to Limited Resources
- Mistakes Made

**Key Takeaways:**

- Learn to face reality-what it takes to scale a business with limited resources
- Learn the good, the bad and the ugly when hiring employees in an emerging venture

**WEEK 7 – Entrepreneurial Marketing  
February 25****Guest: David Friedman**

David Friedman is a tech-savvy executive, advisor, and mentor with an expertise in building value for companies by creating a link between the customer and the internal world of a company’s production, operations and manufacturing systems. He brings a passion in the areas of customer satisfaction, strategic imperatives and innovation in products, distribution, and marketing. During his career, he has introduced more than \$1.5 billion in new products.

In his corporate career, he has helped companies increase their share value, build top line revenue growth and EBITDA. David had been executive vice president and Chief Marketing Officer for ATX Group (now Sirius Connected Car). Previously, he was Vice President, Marketing and Direct Sales at Connexion by Boeing, and commercialized the first Wi-Fi services on airplanes. Friedman served as VP, Marketing/Chief Marketing Officer for U.S. Cellular in Chicago, where he was part of the executive team that grew revenue from \$570 million to nearly \$2 billion through a combination of new products and focusing on customer satisfaction and loyalty. He has also held executive positions with technology companies such as Covia Technologies, Ameritech Services and RCA.

Friedman holds an MBA (economics) from George Washington University, an MSEE from Columbia University, and a BEE (summa cum laude) from City College of New York.

David is active in the entrepreneurial eco-system in Southern California. He is a member of TCA Venture Group having served as President, TCA Orange County and then Chair, TCA Board of Governors. He is currently Chairman Emeritus of TCA Venture Group focusing on developing new networks for TCA VG and building an AI System to help screen startups and perform due diligence. He serves on a few startup boards as a member or observer and is active with student entrepreneurs at Westcliff University, UC Irvine, and USC.

### **Class Discussion:**

This presentation provides a comprehensive overview of marketing strategies tailored for startups at the pre-seed and seed stages, focusing on consumer and technology sectors. It introduces both broad, umbrella strategies, such as digital advertising and social media marketing, and more targeted approaches, including influencer and content marketing. Through case studies of successful startups, the presentation illustrates how early-stage companies have leveraged specific marketing techniques to drive growth and build brand awareness despite having limited or no revenue. Key success metrics, such as customer acquisition cost (CAC), customer lifetime value (CLV), and user engagement rates, are highlighted throughout to emphasize the importance of data-driven decision-making.

Designed to help aspiring entrepreneurs understand the nuances of early-stage marketing, the presentation also differentiates between strategies for new-to-world products and line extensions, addressing the challenges of educating consumers versus leveraging existing brand equity. It provides a practical guide on how startups can balance broad-reaching tactics with niche strategies, ensuring they maximize impact within limited budgets. By integrating actionable insights and measurable outcomes, this curriculum component equips graduate students with essential knowledge for effectively launching and scaling a startup.

### **Key Takeaways:**

- How to develop a marketing strategy in an early-stage venture with limited budget
- How to develop marketing insights and measurable outcomes

## **WEEK 8 – Developing a Fundamental Strategy Which Evolves With Your Business**

### **March 4**

**Assignment Due: FAQs [50 points/Team Assignment]**

#### **Guest: Rod Derifield**

Rodney M. Derifield is a dynamic and entrepreneurial business executive with a proven track record of driving profitable growth and scaling organizations for value creation. With deep expertise in aligning strategies for mergers and acquisitions as well as organic expansion, Rod has consistently led transformative change and reinvigorated underperforming divisions across multiple industries. His entrepreneurial mindset is evident in his ability to craft innovative strategies that capture market share in highly competitive landscapes while building high-performing teams that drive operational excellence and organizational success.

As the CEO and founder of **EnviroCooler**, Rod launched a global cold chain pharmaceutical supply business, growing it from inception to a multi-million-dollar enterprise with operations across five continents. He developed patented products and revolutionized the industry with sustainable solutions, positioning the company for a successful private equity acquisition. His entrepreneurial drive also extends to his leadership at **Nexus Brands Group**, where as President of the Pet Division, he scaled the business from \$20M to over \$100M through a combination of 10 strategic acquisitions and organic growth.

Rod's extensive career spans industries such as consumer products, healthcare, cold chain logistics, and industrial packaging. With his background as an entrepreneur, founder, CEO, and board member, Rod brings agility and a visionary approach to every role. He holds an MBA in Finance and New Venture Management from the University of Southern California and a BA in Economics from UCLA.

#### **Class Discussion:**

In this session we will discuss taking your business concept from ideation to a simple strategic plan. With a fit-for-purpose approach, we will:

- Link the what, why and where (goals) with the how for your venture
- Align your unique product offering with your goals, values/ethos and marketing plan
- Discuss using your strategic plan with financial performance and changes in the market

#### **Key Takeaways:**

- Your *what, why, where* and *how* need to be simple and easy to articulate
- Your foundational strategy is “*Yours*”
- Learn that the only constant is change

#### **Additional class discussion in preparation for Week 9:**

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 Brightspace. This ungraded assignment will be discussed in class March 11<sup>th</sup>.

## **WEEK 9 – Crafting Pro Forma Financial Statements**

**March 11**

**Assignment due: Individual Test Driving Your Business Start (Ungraded. Students receive 50 points for a bona fide submission of a P&L and Cash Flow Statement)**

### **Class Discussion:**

Cash Flow Exercises

*Test Driving Your Initial Business Start*

Electronic “What If”

In the long run, ventures succeed and fail on their financial basis.

When determining financial projects in a new venture, we consider many factors, such as: start-up costs; fixed and variable operational costs; sales forecasts (price/unit of items sold X volume); and gross margin (sales price less cost of goods sold less variable costs associated with sales). We also need to assess whether we believe this venture is financially worth our time and effort (does this business make “cents” for me). Also, is the venture sustainable?

In this session, we will focus on how entrepreneurs establish initial product/service price, determine financial premises for fixed and variable costs, arrive at a sales forecast, calculate the entrepreneurs’ bet, and craft initial profit & loss and cash flow statements leading to “go” or “no go” decisions based upon the financial risks. In presenting the material, we will conduct an imaginary tour of a business opportunity.

### **The New Venture Financial Landscape**

For entrepreneurs seeking outside funding, what does the funding landscape look like? Family, friends, angels, institutional angels, venture capital firms, family wealth offices and private equity firms are out there. Where is your best chance for outside funding?

### **Key Takeaways:**

- Learn how to craft pro forma financial statements
- Learn the *real* venture funding financial landscape

## **WEEK 10 – Building Your Business Platform**

**March 25**

### **Guest Doug Pearson: Former Business Owner and CEO, California Creative Foods, Inc.**

Doug spent many years at Procter & Gamble in consumer marketing. Subsequently he built a CPG food/beverage/agriculture company with distribution into all major US grocery, club and mass merchants. After selling the firm, Doug shifted his focus to Angel investing. He holds an MBA from Harvard Business School and an undergraduate degree from USC. Doug and his wife Meg split their time between NYC and Los Angeles.

### **Class Discussion:**

In this session Doug will discuss *building the business platform*: finding a supportive banker, insurance agent, accountant, payroll, etc. Facing the almost certain decision on doing personal



guarantees. Don't hire relatives and friends that can't be fired. Is it a lifestyle business or one you want to exit in a set timeframe? That dictates whether you're running it for cash to support you or support an investor and a future buyer. They're two different financial strategies.

SBA Guaranteed Loan Program: [SBA Guaranteed Loan Program](#)

**Key Takeaways:**

- What essential services must you engage to operate and grow your venture
- What is your goal for the venture long-term?

## **WEEK 11 – Corporate Entrepreneurship/Corporate Ventures**

### **April 1**

**Class Discussion:**

- Creating a corporate advantage through innovation
- Applying the entrepreneurial mindset in a corporate environment
- The four models of corporate entrepreneurship

### **Corporate Entrepreneurship**

Corporate entrepreneurship is the practice of employing entrepreneurial skills and approaches by or within an organization. To achieve and sustain a true competitive advantage in today's global business environment, companies must be faster, more creative, nimble, flexible and innovative. Resource availability may be limited or non-existent to support innovations and initiatives. In other words, organizations must be more entrepreneurial.

This introductory session will explore how existing firms create a competitive advantage through innovations and new initiatives—of products, services, business models, customer markets and processes. We will examine how these innovations and initiatives are introduced, tested and executed in mid-sized to large, complex global firms.

**Key Takeaways:**

- Learn the challenges and opportunities of starting a new venture in an existing business
- Learn how to use entrepreneurial tools within an existing business

**Readings:**

Sloan Management Review: *The Four Models of Corporate Entrepreneurship*

HBR: *Assessing Your Organizations Capabilities: Resources, Processes and Priorities*

HBR: *A Note on Corporate Entrepreneurship: Challenge or Opportunity?*

HBR: *Reinventing Your Business Model*



## **WEEK 12 – Sales Forecasting/Sales Models**

**April 8**

**Assignment Due: Entrepreneur Interviews-Sales Stories and Experiences**

### **Class Discussion:**

Entrepreneurial Sales

Forecasting Sales

Developing Premises

Premises vs. assumptions

Crafting a timeline for success with premises

The three readings below

### **Key Takeaways:**

- Learn who should lead sales in an emerging venture
- Learn how to forecast sales in an emerging venture
- Learn the difference between *assumptions* and *premises* when building your sales forecast

### **Readings:**

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

HBR: *Entrepreneurial Sales and Marketing Vignettes*

HBR: *How Right Should the Customer Be?*

## **Week 13 – Accelerate the Performance of your Company. What you Measure Makes a Difference!**

**April 15**

### **Guest: Mike Caito, CEO, Management Action Programs, Inc. (MAP)**

Michael Caito is the owner and CEO of Management Action Programs, Inc. (MAP). A visionary, nose-to-the-grindstone leader, Michael's entrepreneurial roots date back to the early 1990s when he joined two partners in launching Restaurants on the Run with a mere \$6,000. Michael spent the next 20 years building that business through a strategic lens, adopting MAP's accountability system along the way. When the company sold in 2015, it was valued at 12x EBITDA and scaled 10 markets, 600 people and \$40 million in revenue.

A self-taught business student, Michael practices proven management methodologies. Known as a "metrics guy," he's big on data, using it to measure progress and get breakthrough results. He also thrives off sharing lessons learned. A member of Entrepreneurs' Organization for 20+ years, he's served as a past Global Chairman and traveled to over 25 countries, engaging with countless company owners and organizations. Michael is also active in the Young Presidents' Organization (YPO). In December 2017, Michael purchased MAP, the very company that helped him so much over the years. Now at the helm, he's set his sights on developing MAP's people and expanding its footprint globally.

### **Class Discussion:**

Learn the keys to accelerating the performance of your people and your company. It starts with setting goals, understanding what to measure and reviewing performance on a regular cadence.

**Review the MAP website prior to class at: [www.mapconsulting.com](http://www.mapconsulting.com)**

**Key Takeaway:**

- Learn how to develop and use a 1-page plan and a company dashboard to keep score and the process for measuring the performance.

**WEEK 14 – Team Venture Playbook Presentation Workshop  
April 22**

**Assignment Due: Key Vital Factors [50 points/Team Assignment]**

**Class Discussion:**

Preparing Your Venture Playbook Presentation  
Team Workshop

**WEEK 15 – Team Venture Playbook Presentations/Course Wrap-up  
April 29**

**Assignment Due: Team Playbook Slides posted to Brightspace**

**Assignment Due April 30, 6pm: Individual Postmortem Reflection & Peer Assessment**

**Team Presentations:** 10-minute Team Playbook Presentation–All Team members are expected to participate in the presentation.

**Course Wrap-up**

**Good Luck and Good Venturing**

## APPENDIX

### MARSHALL GRADUATE PROGRAMS LEARNING GOALS

#### How BAEP 554 Contributes to Marshall Graduate Program Learning Goals

| <b>Marshall Graduate Program Learning Goals</b>  | <b>Degree of Emphasis<br/>(1=Low,<br/>2=Moderate,<br/>3=High)</b> | <b>BAEP 554 Objectives that support this goal</b> |
|--|---|---|
| <b><i>Learning Goal #1:</i></b><br><b>Our graduates will be impactful leaders who lead with integrity and purpose.</b>   |   |   |
| 1.1 Possess a clear framework and commitment to an organization’s culture and core values, with personal integrity.  | 3   | X   |
| 1.2 Transcend traditional boundaries with a global mindset, drawing value from diversity and inclusion, and fostering community within and outside of organizations.   | 2   | X   |
| 1.3 Exhibit exceptional self-awareness through understanding of personal and career goals; awareness of individual strengths and weaknesses; and engagement in personalized, goal-driven, and lifelong learning. | 3   | X   |
| <b><i>Learning Goal #2:</i></b><br><b>Our graduates will be impactful leaders who help identify and execute opportunities in uncertain and complex business environments.</b>                                    |   |   |
| 2.1 Apply an integrated approach to understanding and analyzing significant business problems, which can be complex, messy, unstructured, and beyond formulaic analysis.   | 3   | X   |
| 2.2 Use critical and analytical thinking to identify viable solutions that can create short-term and long-term value for organizations.  | 3   | X   |
| 2.3 Devise creative, sustainable, and achievable strategies and solutions that allow organizations to take advantage of opportunities that create value for its stakeholders.                                    | 2   | X   |
| <b><i>Learning Goal #3:</i></b><br><b>Our graduates will be impactful leaders who achieve results by fostering collaboration on interpersonal, team, and organization levels.</b>                                |   |   |

|  |   |   |
|--|---|---|
| 3. 1 Influence and motivate and work with colleagues, partners, and other stakeholders to achieve organizational purposes  | 3 | X |
| 3.2 Help build and sustain high-performing teams by infusing teams with a variety of perspectives, talents, and skills and aligning individual success with team success and with overall organizational success | 3 | X |
| 3.3 Lead and participate in helping organizations adapt to a changing business landscape.  | 3 | X |