



MGMT 556: STARTING NEW BUSINESS

Fall 2014 Syllabus

Professor: Raj V. Mahto Contact Information: Phone: (505) 277- 2423 (Office) E-mail: rmahto@unm.edu Office: ASM 2154	Classroom: GSM 117 Meeting Time: 7:00 – 9:30pm Thursdays Office hours: 1:30 – 4:00am Thursday And By Appointment
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REQUIRED READINGS:

1. A ***Custom Course Package***, that includes readings and cases, is available for purchase at Harvard Business School (you can access the materials directly at <https://cb.hbsp.harvard.edu/cbmp/access/28284066>).

RECOMMEND READINGS:

1. ***New Venture Creation: Entrepreneurship for the 21st Century*** by Jeffrey Timmons and Stephen Spinelli (7th Eds.).
2. ***The Plan As You Go Business Plan*** by Tim Berry.
3. ***The Art of the Start*** by Guy Kawasaki.

COURSE OBJECTIVE:

In MGMT 556 – Starting New Business course, we will examine the process of starting a new venture from scratch. You will be exposed to various concepts and tools that entrepreneurs use to turn their dream into reality. You will also have chance to apply classroom theories on a new venture using ‘live case’.

The primary objective of this course is to prepare you to do following:

1. Develop a personal entrepreneurial strategy
2. Develop skill to recognize and evaluate opportunities
3. Outline the steps of starting a new venture
4. Prepare and present a business plan
5. Develop strategy to raise financial/non-financial resources for your venture.

CLASSROOM POLICY:

1. This is a fun class but you have to be prepared to enjoy this class. Unless prepared for class lectures, it will be difficult for you to learn concepts discussed in the class and enjoy the class. Review assigned reading before coming to class. I will randomly call on students during the class session to contribute to the class discussion. Students earn participation points during class sessions by demonstrating knowledge of assigned class materials.
2. Smart Devices – Avoid using laptop computers, smartphones, and tablets during lectures without instructor permission. Please keep your cellphones on vibrate or silent mode to minimize distraction in classroom.
3. Please cite the source of any information you use in your individual and group assignments. Also, maintain a copy of these sources for me, I might ask you for it.
4. Any student or team with plagiarized material will automatically receive an “F” for the class. The student will also be referred to the university disciplinary committee for further action. Please refer to the Anderson School of Management’s academic honesty code policy.

ATTENDANCE POLICY:

A major portion of course grade is class participation. It is mandatory that you attend all class sessions. If you are late (more than 10 minutes) or absent (unexcused) for more than two classes, I reserve the right to dismiss you from the course with an assigned grade of F. Assignments must be turned in either on or before the due date. Plan ahead, meet with your instructor (or class group) when you see a conflict arising, and work around the conflict. If proof of an emergency is provided, at my discretion I may accept a late assignment (though with a reduced score).

TEAMS:

Team project is an essential element of this course. Each team consists of 2-3 members. As soon as you know your team, exchange contact information and your schedule to plan for the semester. For the effective functioning of team it is important that you become familiar with each other.

You are required to contribute to every group assignment. Peer evaluation is used to assess each student’s individual grade for group projects. In peer evaluation you will assess each team member’s participation and contribution to the project. The evaluations are confidential and accessible only to the instructor. If you do not turn in the evaluation form in a timely manner then I will assume that you did not participate and contribute to your team’s assignment. **Please be advised: If your team members decide to fire you from the team then I reserve the right to dismiss you from the course with F grade.**

COURSE GRADE AND STUDENT EVALUATION:

Your final course grade is based on your performance on following exercises:

Class Participation and Discussion: **16 Points**

You will receive ½ point for every class session that you arrive on time and remain present during the whole session. You can receive a maximum of seven points just by attending all class sessions. Additional points may be earned by making substantial contribution to class discussions through your comments. Your comments should indicate that you have read the assigned materials and done extra research on the topic. You can earn one point per session, with a maximum of 12 points during the semester.

Individual Assignment: **10 Points**

In this assignment, you will analyze a case from the syllabus and prepare a written report summarizing your analysis and recommendations (for the business). Prepare case analysis without any external help. However, you are free to discuss your thinking and opinion with your colleagues. The double spaced written report (12-point font and with 1” margins) should not exceed five pages. You can attach as many exhibits as you would like. These exhibits will not be counted as part of your five pages of text.

Elevator Pitch: **10 Points**

You will make one-minute elevator pitch to attract potential investors. The elevator pitch guidelines will be posted later on the UNM Learn.

Business Plan: **20 Points**

In this group assignment, you will team up with other students in the class and prepare a business plan for a venture idea. You will submit a professional quality business plan as the final class deliverable at the end of the semester for grading. Teams can submit an early draft of the plan for instructor feedback.

Business Plan Assignments: **24 Points**

Each team will submit eight different assignments associated with their venture idea. Each assignment is worth three points. The first assignment is due before team formation so each student is responsible for submitting the assignment.

Business Plan Presentation: **20 Points**

Each team will present their business plan to potential investors during the final week of the semester. Presentations slides are due to the instructor at least a day before the presentation.

CHANGES TO SYLLABUS:

I reserve right to make future changes in this syllabus. I will give you two weeks' notice for making any change in this syllabus.

GRADING

I will use a modified curve to assess student grades in this course. The curved grading allows me to adjust a student's grade according to the class performance. For example, a best score of 85% out of a maximum possible 100% would mean that no student receive grade higher than B according to the straight grading method. The use of curved grading addresses this problem. In the curved grading method, the best score becomes the new benchmark and the individual student grades are adjusted accordingly. However, curved grading does not allow a grader to distinguish between a better versus average performing classes. As a result, I reserve the right to skew the curve up or down based my assessment of entire class performance.

In order to evaluate student performance more accurately, I will use plus/minus grading. This class does not have the option of extra credit or project "re do".

COURSE OUTLINE

1. August 21 INTRODUCTION: COURSE OVERVIEW

Syllabus Overview

Lecture: Introduction to Entrepreneurship (slides)

Reading: How to Write a Great Business Plan HBS CPK

2. August 28 PERSONAL STRATEGY & INCORPORATING BUSINESS

Lecture: Types of Business Entities

Reading: Do you have the right stuff to start a business? HBS CPK

Exercise: Why do you think you be successful in business/career?

3. September 4 ENTREPRENEURIAL JOURNEY OVERVIEW

Reading: Frank Addante, Serial Entrepreneur HBS CPK

Exercise: Recruiting team members

Due: A brief bio describing why you will successful in your entrepreneurial endeavor (not more than two paragraphs).

4. September 11 ENTREPRENEURS MANAGERS

Reading: Why Entrepreneurs' Don't Scale HBS CPK

Case: Growing Up with University Games: 20 Years and Still Playing HBS CPK

Discussion Questions:

1. What are pros and cons of a 'larger than life' founder for a company?
2. What actions will you take to reduce the company's over dependence on Bob Moog?
3. As a buyer or investor of University Games, who company factors should you consider in your evaluation?

5. September 18 MARKET RESEARCH & OPPORTUNITY RECOGNITION

Lecture: 1) Doing market research; 2) How to recognize business opportunity?

Reading: Analyzing New Venture Opportunities HBS CPK

Case: R&R HBS CPK

Discussion Questions:

1. What factors created an opportunity for Bob Reiss?
2. What were critical risks and key success factors associated with Bob Reiss' idea and venture?
3. As a result of this success, what should Bob Reiss do now?

Exercise: Hunting for business opportunity

Due: A brief description of business that you will like to start.

6. September 25 INDUSTRY ANALYSIS & OPPORTUNITY EVALUATION

Lecture: 1) Doing Industry Analysis; 2) Opportunity Evaluation

Case: ICEDELIGHTS HBS CPK

Discussion Questions:

1. Evaluate the ICEDELIGHTS opportunity?
2. What are the critical risks faced by
 - a. the business ?
 - b. each of the individual?
3. What are the potential rewards?
4. Evaluate the deal as finally structured.

Due: Detailed market research and analysis for your venture idea.

7. October 2 GUEST SPEAKER

Guest Speaker: TBA

Exercise: Instructor and Course Evaluation

Due: Detailed industry research and analysis for your venture idea.

8. October 9 FALL BREAK

NO CLASS

9. October 16 UNDERSTANDING THE BUSINESS MODEL

Showcase – Results of Instructor and Course Evaluation

Lecture: What is business model?

Case: Zipcar: Refining the Business Model HBS CPK

Discussion Questions:

1. Evaluate this potential venture and the progress that Chase has made.
2. What is the business model, and how it has changed between December 1999 and May 2000? What does the actual operational data from September tell you about the business model?
3. What actions should Chase take as a result of the September operating result?
4. What is the strongest argument Chase could make to a potential investor about the attractiveness of the venture? Prepare her elevator pitch.

Individual Assignment Due

10. October 23 BUSINESS PLAN & BUSINESS PLAN PRESENTATION

Reading: How to write a great business plan HBS CPK

Some thoughts on Business plans HBS CPK

Writing business plan

Due: Detailed industry research and analysis for your venture idea.

11. October 30 FINANCIAL PROJECTIONS

Case: ALWAYSi HBS CPK

Exercise: Building financial projections

Due: First draft of business plan.

12. November 6 UNDERSTANDING THE CONCEPT

Case: Growing Up in China: The Financing of BabyCare Ltd. HBS CPK

Discussion Questions:

1. Will you invest in BabyCare Ltd.?
2. The VC is challenging Mumford and his team on their projections. How will you build a subscriber model to show that the projections are realistic? What critical assumption does the subscriber model rely on? What assumptions will you challenge as a VC?
3. Is building a plant to manufacture products locally a good idea?

Exercise: Positioning the business and preparing the pitch.

Due: Financial projections for venture idea.

13. November 13 RAISING CAPITAL: VC FUNDING

Reading: How Venture Capitalists evaluate potential venture opportunities HBS CPK

Negotiating Equity Split at UpDown HBS CPK

Note on Venture Capital valuation HBS CPK

Exercise: What's value of your business?

Due: Financial projections for venture idea.

14. November 20 ELEVATOR PITCH TO VENTURE CAPITALISTS

Elevator Pitch Judges will be announced later in the class.

15. November 27 THANKSGIVING BREAK NO CLASS

No CLASS

16. December 4 BUSINESS PLAN PRESENTATION TO INVESTORS

Business Plan Judges will be announced later in the class.

FINAL BUSINESS PLAN DUE

ACADEMIC INTEGRITY

Anderson School of Management faculty, staff and students commit to values of trust, honesty, integrity, and accountability. We will not tolerate academic dishonesty. By enrolling in any course at Anderson, the student accepts the Anderson Academic Honesty Code and affirms the following pledge:

I will not lie, cheat, fabricate, plagiarize or use any other dishonest means to gain unfair academic advantage.

Any violation of the code of conduct will be taken very seriously and appropriate sanctions will be applied. FOR FULL TEXT OF ANDERSON'S ACADEMIC HONESTY CODE, please visit <http://www.mgt.unm.edu/honesty>

ADA STATEMENT

Reasonable accommodation will be given to any individual with a legitimate disability. Please contact the instructor privately for arrangements. If you are a qualified person with disabilities who might need appropriate academic adjustments, please communicate with me as soon as possible so that we may make appropriate arrangements to meet your needs in a timely manner. Frequently, we will need to coordinate accommodating activities with other offices on campus. Course materials can be made available in alternative formats.

Peer Evaluation for MGMT 556

List yourself and your team members below, along with the percentage of contribution (in terms of quantity AND quality) that each team member added to this assignment. Your evaluation will remain confidential.

Team: _____

Assignment:

<u>Name</u>	<u>Percentage of Contribution</u>
_____ (Your name)	_____
_____	_____
_____	_____
_____	_____

The Most Valuable Player on our team is: _____

Comments: *You must comment on anyone to whom you assigned a higher or lower percentage. Explain why your MVP is deserving of this honor.*

Contract – SIGN BELOW AND RETURN BY THE END OF CLASS

I have read the syllabus for MGMT 556 (Fall 2014). With my decision to take this class, I understand the above statements and work load, and I agree to participate and do my best.

Print Name

Signature

Date