

Georgetown University School of Continuing Studies

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**Course Title: New Venture Creation II BLHS 398-01**

**Fall 2015 September 2-December 14, Mondays 520PM-750PM.**

**First class is Wednesday September 2. Next class is Monday, September 14  
September 7 and October 12 are holidays.**

**There will be 150 minutes of offline class work during this course. See specific dates below**

**Office Hours by Appointment**

**Instructor: Edgar C Harrell, Adjunct Professor of Liberal Studies  
ech50@georgetown.edu, [eharrell47@comcast.net](mailto:eharrell47@comcast.net)  
Tel: 301-980-4203**

**Textbooks:**

**Kawasaki, Guy. The Art of the Start 2.0 Kindle**

**Case Studies:**

**Two case studies that we will use throughout the course are: 1) “Walnut Venture Associates”, Michael Roberts, Harvard Business School Cases A and B (9-899-062, 9-899-063) and 2) William Sahlman, “How to Write a Great Business Plan”**

**Harvard Business School reprint 97409. Other case studies are:**

**HBS reprint 97409; Mark Johnson, Clayton Christensen, and Henning Kagermann, “Reinventing Your Business Model” HBS reprint R0812C.**

**The cases will be available for downloading at a discount from a class website set up at HBS: <http://hbsp.harvard.edu> (Course New Venture Creation II, BLHS 398-01, <http://cb.hbsp.harvard.edu/cbmp/access/36248771>.) You will be required to download and pay for all the cases assigned for this class at the same time. (there are four)**

**We will use material from Alexander Osterwalder and Yves Pigneur, Business Model Generation, John Wiley&Sons 2010. ISBN 978-0470-87641-1 for one class. It is available in paperback, but not required to buy. You can access it online: [Proquestcombo.safaribooksonline.com.proxy.library.georgetown.edu](http://Proquestcombo.safaribooksonline.com.proxy.library.georgetown.edu) 9780470876411.**

**We may also use material from Peter H. Diamandis and Steve Kotler, Bold: How to Go Big, Create Wealth and Impact the World. Kindle. This is an interesting book that complements the Kawasaki book and the Dr. Saravathy research that are required reading but it is not a required purchase at this point.**

**This syllabus is subject to change at the discretion of the instructor.**

## **Course Description**

This course is designed for the student and working professional who are interested in starting or expanding a business. The emphasis is on the knowledge and skills needed to conceive or capture an entrepreneurial opportunity and then successfully launch a business that adds value to society and makes money. The course topics include the place of entrepreneurship in today's global economic climate, new models for starting businesses, recent research on how successful entrepreneurs manage entrepreneurial opportunities, innovative thinking and creation of a new business idea and product or service, identifying the major opportunity a particular business creates or major problem it solves, profiling and naming the customers who will buy the product or service, crafting a profitable and sustainable business model, and preparing and delivering that unique presentation that will excite investor interest. Key points are illustrated through case studies, videos, discussions with invited entrepreneurs and student presentations in class. This course is highly interactive as would be expected of a case study class. The emphasis is on thinking creatively.

**Reading:** In addition to the one assigned textbook, Kawasaki, we will make frequent use of three other books on reserve: Geoffrey Moore's Crossing the Chasm, Steven G Blank's Four Steps to the Epiphany and Eric Reis, The Lean Start-Up. We will make extensive use of videos and written resources from two websites: Stanford University, Technology Ventures Programs, <http://ecorner.stanford.edu> and MIT Sloan Teaching Innovation Resources, <http://mitsloan.mit.edu/MSTIR/managing-innovation> and current newspaper and magazine articles. We will discuss Dr. Saras D Saravathy's recent research on how successful entrepreneurs think and act: [www.effectuation.org](http://www.effectuation.org). We will look briefly at "socially concerned" start-up companies, how they are structured and various methods now being used to finance these hybrid (for profit and socially concerned) companies. We will do this primarily through some distributed readings and guest speakers. There will be at least three guest speakers and we will visit a shared space incubator for startup companies: 1776DC.

## **Requirements and Grading**

**Attendance:** Weekly attendance and prompt arrival in class are very important. Students are expected to attend each and every class and to arrive on time to avoid disrupting the session which will begin promptly at 5:20PM. Attendance will be checked at the start of class. Being late by 30 minutes or more will constitute an absence. Two unexcused absences may result in a failing grade for the course. Excused absences will be given only in rare circumstances and only with the prior approval of the instructor. Students will only succeed in this class if they carefully do the assignments on time and actively participate in class discussions and projects.

**Grading:** class participation including hand in assignments and leading class discussions based on assigned case studies or student initiated class topics using relevant newspaper/magazine articles and discussions on Blackboard 30%; quizzes 10% each –total 20%; business pitch 20%; and final exam which is your business plan, 30%. There is no mid-term exam.

The final grade will be determined as follows:

93% to 100%= A, 90% to 92%= A-

87% to 89%=B+, 83% to 86%=B, 80% to 82%= B-  
77% to 79%=C+, 73% to 76%=C, 70% to 72%= C-  
67% to 69%= D+, 60% to 66%=D, Below 60%=F

I do not mark on a curve; I do not negotiate grades; and I do not give make up quizzes or exams except in extraordinary circumstances.

### **Learning Objectives:**

After completing this course a student should be able to:

1. Understand the importance of entrepreneurship in an increasingly integrated world economy,
2. Understand characteristics of successful tech company entrepreneurs,
3. Prepare a business plan,
4. Know how to generate a sustainable business model and validate it,
5. Know the important of identifying the customer first,
6. Understand how start-up companies are valued and financed,
7. Know how to make a pitch to investors.

### **Additional Details**

#### **Disabilities**

If you are a student with a documented disability who requires accommodations or if you think you may have a disability and want to inquire about accommodations, please contact the Academic Resource Center at 202-687-8354 or [arc@georgetown.edu](mailto:arc@georgetown.edu).

#### **Turnitin.com**

Students acknowledge that by taking this course all required papers can be submitted for a Textual Similarity Review to Turnitin.com for the detection of plagiarism. Use of the Turnitin.com service is subject to the terms of use agreement posted on the Turnitin.com site.

#### **Extreme weather, Emergencies, and Instructional Continuity**

During inclement weather or other emergencies on a day when we are scheduled to meet face-to-face, check the university's Web site or call (202) 687-7669 for information on whether the university is open. If the university is open, this class will meet. If the university is closed, this class will meet through distance means such as online videoconferencing; check your e-mail for a message from me on how we will proceed in that situation. Due dates for written assignments submitted through Blackboard will not be changed due to campus closings.

The university recently has acquired the capability to send text messages and recorded messages about emergencies to cell phones and other mobile devices. Sign up on MyAccess.

## **Georgetown Honor System**

**Trust:** Trust is your most valuable asset in life. If you lose it you can't buy it back

All students are expected to follow Georgetown's honor code unconditionally. We assume you have read the honor code material located at [www.georgetown.edu/honor](http://www.georgetown.edu/honor), and in particular have read the following documents: Honor Council Pamphlet, What is Plagiarism, Sanctioning Guidelines, and Expedited Sanctioning Process. Papers in this course will all be submitted to turnitin.com for checking.

Submitting material in fulfillment of the requirements of this course means that you have abided by the Georgetown honor pledge:

*In the pursuit of the high ideals and rigorous standards of academic life, I commit myself to respect and uphold the Georgetown Honor System: To be honest in any academic endeavor, and to conduct myself honorably, as a responsible member of the Georgetown community, as we live and work together.*

## **Plagiarism**

In accord with university policy, all incidents of suspected plagiarism or other Honor Code violations will be reported to the Honor Council without fail.

If the Honor Council finds that a student has plagiarized or has violated the Honor Code in any other way, the student will receive a grade of F for the course.

## **Policy Accommodating Students' Religious Observances**

The following is university policy:

Georgetown University promotes respect for all religions. Any student who is unable to attend classes or to participate in any examination, presentation, or assignment on a given day because of the observance of a major religious holiday or related travel shall be excused and provided with the opportunity to make up, without unreasonable burden, any work that has been missed for this reason and shall not in any other way be penalized for the absence or rescheduled work. Students will remain responsible for all assigned work. Students should notify professors in writing at the beginning of the semester of religious observances that conflict with their classes.

## **Course Assignments:**

**Assignments are due the date of the class unless otherwise specified.**

**The Final Business Plan is due 12/12/2015**

Sept 2 Lesson 1 **The Place of Entrepreneurship in Today's Economic Climate.** We will look at two websites that provide excellent statistical information on historic trends in venture capital financing: [www.pwcmoneytree.com](http://www.pwcmoneytree.com) and [www.nvca.org](http://www.nvca.org). We will discuss the course objectives and answer questions at the beginning of the class. We will discuss your initial ideas for the class business plan assignment and I will summarize William Sahlman's reprint "How to Write a Great Business Plan"- see list of cases above. We will discuss "what is a business idea" for purposes of writing your business plan for the class. You should come to class prepared to state how you would address the question "How Do we Change the

Eating Habits of Students”. We will show a short video on technologies that will change the world over the next two decades. Students should view [www.TED.com](http://www.TED.com), Joi Ito, “Want to Innovate? Become a Now-ist” Read Kawasaki, Guy Chapter 1 The Art of the StartUp

Sept 14 Lesson 2 **What is an Entrepreneur?** Video Reid Hoffman, CEO, Linked In, “Entrepreneurs Will Create the Future” (Stanford University <http://ecorner.stanford.edu>). Hand in a one sentence summary of how you would create a business to address the problem of changing the eating habits of students. This can be done by filling in the blanks of the following sentence. " My company \_\_\_\_\_ ( name) is developing \_\_\_\_\_ ( product or service) to help \_\_\_\_\_( customer or user) to \_\_\_\_\_( solve a problem or create an opportunity) using \_\_\_\_\_( your secret sauce). In preparing for this class download and watch the Stanford Technology Venture Program, <http://ecorner.stanford.edu>, Jessica Mah. “A Startup is a Learning Experience”. I will send you a list of six questions that you must answer and hand in and we will use your answers for class discussion. Read Kawasaki Chapter 2.

Sept 21 Lesson 3 **What is a Pitch and a Business Plan.** Read Kawasaki chapter 3 and William Sahlman, “How to Write a Great Business Plan”, and look at the recent pitch workshop at Harrisburg University with Founder Institute, San Francisco: <http://hulive.harrisburgu.edu/video2.html>. Be prepared to make a one minute presentation of your business idea to the class using the William Sahlman outline of four major sections to be emphasized. Read Kawasaki Chapter 3.

Sept 26 Sat **Innovation Make up class.** Time tentative 3-5:30PM using a Google+ Hangout conference call. We will discuss the two Walnut Venture Associates case studies, A and B.- see list of case studies above that are available ( and required) for downloading from Harvard Business School case study site.

Sept 28 Lesson 4 **How Do Successful Entrepreneurs Make Decisions.** Guest lecturer (Video in Class) Dr. Saras Saravathy, Isadore Horween Research Associate Professor, University of Virginia, Darden Business School. We will also discuss socially concerned start-up companies. Look at her website [www.effectuation.org](http://www.effectuation.org) in preparation for class. We will try to arrange a visit to 1776DC.. Read Kawasaki Chapter 4.

Oct 5 Lesson 5 **The Value Added Proposition.** Read Mark Johnson et al Harvard Business Review reprint “Reinventing Your Business Model”. . Download [MITSloan.mit.edu/MSTIR/managing innovation/Corning Incorporated: The Growth and Strategy Council](http://MITSloan.mit.edu/MSTIR/managing innovation/Corning Incorporated: The Growth and Strategy Council). One student will be assigned to present this case but all students must be prepared to ask questions and offer comments on the case. Submit summary of business plan idea that must include the value added proposition, your product or service, and estimated size and location of the market. Read Kawasaki Chapter 5.

Oct 19 Lesson 6 **The Business Model.** Webinar with Matt Harrell, Senior Account Manager, Google, Inc. We will discuss Alexander Osterwalder and Yves Pigneur, [Business Model Generation](#). A student will be assigned to lead the discussion. **Quiz 1** will be distributed to be completed and submitted before start of class Oct 26 by posting on Blackboard or by email attachment. Read Kawasaki Chapter 6.

Oct 26 Lesson 7 **The Customer.** I will put on reserve Steve Blank. Four Steps to Epiphany, Geoffrey Moore. Crossing the Chasm 2002(revised paperback) and Eric Ries, The Lean Start-Up and assign teams of students to summarize the central arguments of these three books and post their summaries on Blackboard for the entire class to access. Read Kawasaki Chapter 6

Nov 2 Lesson 8 **Ethics and Defining a Start-up.** Ethics case study to be assigned. In addition, I will assign a video and post a list of questions for each student to respond to on Blackboard. I will also assign a Babson Case study on an early stage start up and students must prepare a business model generation canvas of this company using Osterwalder and Pigneur- see Lesson 6. A student will be assigned to lead the discussions. Read Kawasaki Chapter 7

Nov 9 Lesson 9 **Early Stage Financing.** Read Saul Ewing. “The Entrepreneur’s Guide to Early Stage Financing” Eric Orlinsky 2010 (this will be posted on class Blackboard website). Kawasaki Chapters 4 and 5. Students will present a progress report preparing their business plans for class discussion. Read Kawasaki Chapter 8

Nov 16 Lesson 10 **Valuations.** We will discuss term sheets using the term sheet template available on [www.nvca.org](http://www.nvca.org) and the material from Saul Ewing, “The Entrepreneur’s Guide to Early Stage Financing” see Lesson 9 above. We will distribute a financial projection Excel spreadsheet model for validating you’re your business model and explain how to use it. Read Kawasaki Chapter 9

Nov 23 Lesson 11 **Bootstrapping and Managing Cash.** Read Kawasaki Chapters 10'and 11. Guest speaker (Skype), Philip Harrell, VP, Firecracker Students make a 3-5 minute elevator pitch of your business idea. Hand in initial draft of your business plan (template will be distributed in advance) quiz **2 take home due Nov 30**

Nov 30 Lesson 12 **Pitches and Presentation Practice.** Review and discuss video of pitch workshop with Founder Institute on Sep 10, 2011 (see above) with Jill Stelfox, Founder Institute. Students discuss their draft business plan handed in the previous class. Read Kawasaki Chapter 121

Dec 7 Lesson 13 **Review of the Course.** Make Final Pitch – 3 minutes, max 10 slides. (Guest pitch coach from Founder Institute.) Answer questions about final business plan. We will discuss: Are you an Entrepreneur? Complete questionnaire “How to Decide if Entrepreneurship is Right for You”, ref Jeffry Timmons and Stephen Spinelli, New Venture Creation: Entrepreneurship in the 21th Century. McGraw Hill 7th edition, 2007 that will be handed out or posted on Blackboard

Dec 12 Final business plans due