

# INNOVATION & ENTREPRENEURSHIP

**ENTP 3301.002**
**Fall 2016**

<b>Class Meeting</b> Monday/Wednesday 2:30PM-3:45PM Classroom: JSOM 2.714 <b>Office Hours:</b> Mondays 1:00 pm- 2:00 pm or by appointment	<b>Jackie Kimzey</b> JSOM 4.208 <b>Email:</b> <a href="mailto:jackie.kimzey@utdallas.edu">jackie.kimzey@utdallas.edu</a> <b>Phone:</b> (972) 883-5931
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## COURSE OBJECTIVES

This course provides a broad-based introduction to entrepreneurship. Course activities will include evaluating the commercial potential of business concepts and technological innovation, researching markets and competition, managing patents and copyrights, understanding essentials of licensing and technology transfer, valuing a business opportunity, developing a market entry plan, legal issues relating to launching a new business venture, acquiring resources, avoiding pitfalls, making effective presentations to investors and financing the new start-up. Participants in the course will explore the mindset, considerations, realities, and real-world methods associated with entrepreneurship and the process of moving an innovation to the commercial world. Whether simply desiring to learn more about entrepreneurship and commercialization or desiring to launch a new enterprise, the course will provide students the know-how and tools to be more effective in the entrepreneurial process.

Both group and individual assignments will be required. A team project focused on the creation of a business development plan for a new opportunity will comprise a major part of the course.

## LEARNING OBJECTIVES

**Upon successful completion of this course, students will:**

- Understand and be able to describe the foundational principles of entrepreneurship, including entrepreneurial characteristics, creativity techniques, sources of ideas, types of risk involved in starting a business, and how to develop a value proposition and business model for a business.
- Distinguish between the major forms of intellectual property such as patents, trademarks, trade secrets, and copyrights and when to use each type.
- Work in a team setting to analyze and evaluate a business concept and apply the key principles of entrepreneurship in the preparation of an investor overview for a new business opportunity.

## REQUIRED COURSE MATERIALS

Barringer, Bruce R., and R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*, 4th ed. Boston:Pearson, 2011. ISBN 978-0132555524.

## Course and Instructor Policies

### Formation of Groups

The team project (i.e., presentation) is an important part of this course and will determine a significant portion of your grade. You will form teams with 4 other students (total number in a team will be 5). You may either self-select your team members or ask me to assemble your team. The project requires close coordination with your team members, and a wide range of skills, including some marketing and basic finance and accounting. Therefore, it is important that you select your teams to include a diverse set of skills. The grades earned on the presentation are subject to individual adjustment based on the assessment of the team presentation and based on the peer evaluation inputs. In other words, team members must contribute equally based on their peer evaluation to qualify for the full team grade.

### **Peer Evaluation**

A peer evaluation process will be utilized to adjust individual grades on all group assignments. The peer evaluation form (attached under submission link) should be completed individually and submitted in class prior to your presentation using the Peer Evaluation assignment by the end of the semester due date.

### **GUIDELINES FOR WRITTEN ASSIGNMENTS**

- **Evaluation:** Twenty-five percent (25%) of your grade will be based on group assignments.
- **Identification of Assignments.** All submitted assignments should be identified as follows: (a) a header on each page of the paper or spreadsheet should include your Group ID and individual name or name of team members.
- **Format.** Written assignments should be submitted in MS Word, MS Excel or MS PowerPoint format, as appropriate.
- **Assignment Submission Instructions:** Written assignments and presentations are to be submitted in class. Group assignments are to be submitted only by one member of the group. The team will receive the results and feedback on the assignment from the instructor.
- **Due Dates and Late Paper Policy:** Written assignments are due on the date assigned. Late papers will not be accepted.

### **GROUP PROJECT: BUSINESS OPPORTUNITY IDENTIFICATION AND ANALYSIS**

A group project focused on the identification and analysis of a new business opportunity will comprise a major part of the course.

**(a)** A 1 page idea summary from each individual presented to the instructor and class members by September 7, 2016.

**(b)** Students will vote for the top ideas submitted for the group projects. Teams will be formed around the top ideas.

**(c)** A feasibility analysis and class presentation on October 17, 2016, and; **(d)** a final business development proposal submitted and presented on November 28, 2016.

***FOR Clarity:***

**Individual Business Idea.** Each individual will submit and present one business idea by [September 07, 2016](#). This idea will be a candidate for selecting a new business concept to take forward as a team project.

In developing a business Idea the student will:

- Select an industry and identify a specific business concept or opportunity for research.
- Conduct a preliminary evaluation of the business opportunity.
- **Summarize your idea in the context of the market and competitive environment in a 1 page summary. Submit the summary to the instructor and team members. Include the following information for each idea summarized:**
  1. **Project description (What significant need does it fill? How big is the problem? How grand is your solution?)**
  2. **Who is the customer?**
  3. **Is there significant potential for value creation?**
  4. **What is its “Value Proposition” --How will your idea benefit customers (why they will buy?) benefits to the customer (e.g., faster, less expensive, higher quality, more reliable, more accurate, more convenient, better performance, more fun, less work, etc.)**
  5. **How is Product or Service unique/different/superior to other offerings**

Each individual business idea will be considered by the class members and a determination will be made by majority vote regarding which business ideas will be selected for Group Projects. Students will be assigned to teams and projects by the instructor.

A great entrepreneurial opportunity is one that brings something new, valuable, innovative and difficult to imitate to the market and occupies a position of sustainable competitive advantage in the market. New ventures that go head to head with established firms in crowded markets are not recommended. Once a business Idea is selected, it is then developed by the Group during the semester.

**Part 1, The Initial Report: Business Opportunity Feasibility Analysis** (Written Assignment #2 due [October 17, 2016](#))

- Select an industry and identify a specific business idea or opportunity to research.
- Conduct a preliminary evaluation of the business opportunity following the *Opportunity Analysis and Business Plan Outline* (download from eLearning).
- **Summarize your business opportunity in the context of the market and competitive environment in a 10-12 page PowerPoint presentation (10 minutes) to the class described below. (Note: You should include information from your research and analysis as a part of an appendix to the presentation). These items are in addition to the recommended page count for the presentation.)** This feasibility analysis represents the initial installment of the business plan that is being developed. The presentation should include a description of the business concept and its products or services and why they are unique or special. Particular emphasis should be placed on the competitive advantages of your new venture. You should include information regarding the unmet needs of the market that the products or services are providing and the customers being targeted. The foregoing should be followed by an overview and analysis of the industry in which the venture will operate. The comprehensive Industry analysis section will include the future outlook and trends, analysis of overall industry, market needs, comparison among and between competitors and the company (competitive matrix), the opportunity and associated unmet needs, and an estimation of company's future revenue. The presentation

also should provide a description of the objectives (short term and long term) of the company. The PowerPoint will consist of:

1. Introduction, Business Concept , Mission and Strategy
2. The Problem, Market Opportunity and Unmet Need
3. The Solution, Unique Value Proposition
4. Industry Overview and Market Analysis
5. Competitive Analysis

**Part 2, The New Venture Market Entry Plan** combines Part 1 and 2 as a final document. (Written Assignment #3 due in class on [November 28, 2016](#))

- **Prepare the final Launch Plan** for your venture. The final PowerPoint (which includes Part 1 and 2) should not exceed 20 pages, not including exhibits or appendices. Thoroughly document your assumptions and analyses in exhibits or appendices and provide a list of the references and information sources utilized in your research.
- Use course principles and information to create a comprehensive Plan.
  1. This presentation **expands** on WA#2 and represents the entire launch plan. In addition to a refinement of the original presentation submitted previously in WA#2, the team will add the following sections to the presentation. A Comprehensive Marketing Plan: This section of the plan should include a summary analysis of the target market(s), the reason for selecting a specific market segment, the general market strategy and positioning among competitors, imaging of the firm, advertising and promotional activities, pricing strategy, sales and distribution strategy, service and support plan, sales forecasts and detailed marketing budget.
  2. Resources needed, Financial and Funding Plan, Risk Factors, Timeline. This section should include a) non-financial resource requirements of the firm, b) a start-up budget forecast (capital expenditures and expenses through break-even), c) sources and uses of funds (with use of proceeds chart), d) the investment offering including projected returns d) pro forma Income Statement for 3 years (monthly for the first 12 months and quarterly for years 2 and 3) and a break-even analysis, e) critical risk factors and how they will be mitigated, and f) a timeline table or chart of events and milestones to be achieved over the next year. **NOTE: In the presentation, provide a very simple, brief and legible summary of key financial information (e.g., a summary table of the budget (use of proceeds, including capital expenditures), a summary table of the income statement (with revenue projections, costs, profit and Income for next 3 years), and a break-even chart. The spread sheets are to be located in the appendix. Include a short description of the design and development plan. You should also include the key management and talent requirements that are essential for this plan.**

**Present your final Feasibility Analysis and Market Entry Plan in a PowerPoint presentation (a 12 minute oral presentation to the class) on [November 28, 2016](#).**

1. Introduction, Business Concept , Mission and Strategy
2. The Problem, Market Opportunity and Unmet Need
3. The Solution, Unique Value Proposition

4. Industry Overview and Market Analysis
5. Competitive Analysis
6. Business Model
7. Marketing Plan
8. Financial Projections, Funding Plan
9. Milestone Timeline
11. Presentation Quality/Delivery
12. Supporting Appendix

**Team Member Participation in Group Projects.** Each team member will create portions of each group project as agreed by team members and the team will integrate the respective pieces. Please remember to save sufficient time to properly edit the work into one integrated paper that will be agreed upon by the team and Team Leader.

**\*INDIVIDUAL PEER EVALUATION BY TEAM MEMBERS.** A peer evaluation of the respective individual team members will be utilized to adjust individual grades on ALL group assignments (maximum range of +/- 20% of the group grade). The peer evaluation form attached to this syllabus will be completed individually and turned in by each group member as part of each group project assignment.

At times teams have been formed for class projects wherein someone did not contribute significantly but expected the same grade as strong contributors. Fairness will prevail. I will compute individual grades for each group project and presentation based on the team score for each project and the group peer evaluations that each team member receives. Therefore, strong contribution to projects and regular attendance at team meetings are essential for optimal grading. See the attached student peer evaluation form. Students will not directly grade (A, B, etc.) one another but will provide the instructor with feedback (with peer evaluation forms) as to the percentage of contribution of each member on a base of 100%. Individual grades may be lowered by the instructor given poor peer evaluations. Typically, the grade received by a team will be multiplied by the percentage of contribution by the team member, thus if all team members contribute equally, each will score 100% for their participation which will be the multiplier of the team score. Additional instruction regarding peer evaluation will be provided on the peer evaluation form.

Failure to complete a peer evaluation can result in reduction in grade. Evaluations will be kept confidential. The team is accountable for warning any student who is in danger of receiving a failing peer evaluation. Failure of a team to warn a team member in a timely manner as described may invalidate negative ratings. Interim evaluations may be completed at any time during the semester and submitted to the instructor as a means of identifying a problem with a team member. At that time, the instructor will talk with all parties involved to determine what course of action may need to be taken. Please do not be afraid to discuss these problems with me individually and early on. Warnings as to failure on peer evaluations most often reverses a negative course of action on the part of a team member, but removal of a team member from a team is possible. Please handle individual team member issues with proper care, courtesy and diplomacy.

Students dropped from teams by the instructor may be required to complete group projects on their own and such removal from a team may result in a lower grade for that team member. Other options include dropping or failing the course.

### Special Activities and Opportunities:

- **Business Idea Competition- Fall Semester Only**- All students/team will be required to apply to the UT Dallas Business Idea Competition. (This will be part of your participation grade in the course).
- **Students in each course will sign an agreement indicating that at the end of the semester, if a student does not want to pursue starting the company, they agree to surrender any rights in the concept to other students on the team and agree to not block or impede the other students from launching the company.**

### Student Assessments: Grading Information

Assignment	Due Date	Team or Individual	Length (pages)	Form	Grading Weight
<b><u>WA #1</u></b> – Individual Opportunity Analysis, Business Idea Description submitted to class (90 second elevator pitch) and Instructor	<b>09/07/16</b>	Individual	1	Bulleted Outline	<b>Part of class participation grade</b>
<b><u>Midterm Exam</u></b>	<b>10/12/16</b>	Individual			<b>25%</b>
<b><u>WA #2 Team Presentation:</u></b> Industry Analysis and Description of New Venture	<b>10/17/16</b>	Team Project	Power Point	10 Minutes 10-15 Slides	<b>Class Participation</b>
<b><u>WA #3 Presentation:</u></b> Marketing Plan, Assessment of Risk and Financial Plan, Estimating Cash requirements	<b>11/28/16</b>	Team Project	Power Point	12 Minutes 15-20 Slides	<b>25%*</b>
<b><u>Individual Peer Evaluation by Team Members</u></b>	<b>11/28/16</b>	Individual			<b>n/a*</b>
<b><u>UTD Business Idea Competition</u></b>	<b>TBD</b>	Team	Power Point	15-20 Slides	<b>Class Participation</b>
<b><u>Final Exam</u></b>	<b>12/07/16</b>	Individual			<b>25%</b>
<b><u>Class Participation</u></b>		Individual			<b>25%</b>
<b>*Peer evaluations will impact grades on all group assignments–see guidelines below.</b>					<b>100%</b>

### Grading Scale

Scaled Score	Letter Equivalent
400 - 372	A
371 - 360	A-
359 - 352	B+
351 - 332	B
331 - 320	B-

319 - 312	C+
311 - 292	C
291-280	C-
279-272	D+
271-252	D
251-240	D-
Less than 240	F

	Points	Weight
Class Participation WA#1 WA#2 UTD BIC Attendance Engagement	100	25%
Mid-Term Exam	100	25%
WA#3	100	25%
Final Exam	100	25%
Total	400	100%

### **Class Participation**

- Twenty percent (25%) of your grade will be based on attendance, active participation in class discussions and exercises and the submission of ungraded assignments. Attendance and class participation will be tracked. From time to time, it may be necessary to miss a class due to illness or personal matters. Please inform instructor of these absences.
- Each student is expected to have read all assigned materials prior to the start of class and be prepared to discuss the ideas, concepts and issues they raise. If it is determined that students are not prepared for class, pop quizzes may be instituted and factored into the individual's grade as part of class participation.

## **ASSIGNMENTS AND ACADEMIC CALENDAR**

Week	Readings/Preparation	Assignments
<b>1</b> Aug 22	<b><u>The Entrepreneurial Perspective</u></b> <b>Unit 1 Lecture:</b> Introduction and Overview-Nature and Importance of Entrepreneurship <b>Unit 2 Lecture:</b> Entrepreneurial Characteristics	Text-Chapter 1
Aug 24	<b>Lecture:</b> Shelf Life of Sustainable Competitive Advantage	

<b>2</b> Aug 29	<b><u>Developing Successful Business Ideas</u></b> Creativity and the business idea <b>Unit 3 Lecture:</b> Creativity and the Business Idea	Text-Chapter 2
Aug 31	<b><u>Evaluating the Opportunity:</u></b> Evaluating opportunities, Conducting Feasibility Analysis and Innovation and Market Acceptance <b>Unit 4 Lecture:</b> Innovation and Market Acceptance <b>Video:</b> The Deep Dive-IDEO	
<b>3</b> Sept 5	No Class/Labor Day Holiday	
Sept 7	Individual Pitches	One page concept summary- 90 second elevator pitch
<b>4</b> Sept 12	Individual Pitches	One page concept summary- 90 second elevator pitch-Organize Teams
Sept 14	<b>Team Time:</b> No class scheduled <b>Unit 5 Lecture:</b> Evaluating the Opportunity	Text-Chapter 3
<b>5</b> Sept 19	<b><u>Competitive Analysis: Implementing Entrepreneurial Product Strategies:</u></b> Competitive forces, collecting competitive intelligence, new entry strategy, growth strategies, creating a resource bundle <b>Unit 6 Lecture:</b> Competitive Analysis – Implementing Entrepreneurial Product Strategies	Text-Chapter 5
Sept 21	No Class-Team Time	
<b>6</b> Sept 26	<b>Unit 7 Lecture:</b> Developing an Effective Business Model	Text-Chapter 6
Sept 28	<b>Peer Mentoring</b> <b><u>Business Plans for Entrepreneurial Ventures</u></b> <i>Types, Structure, and Content, Developing Business strategies, Evaluating a Business Plan, How to create a business plan with its essential elements, Common Mistakes in a Business Plan</i> <b>Unit 8 Lecture:</b> The Business Plan – Creating and Starting the Venture	Text-Chapter 4
<b>7</b> Oct 3	<b><u>Giving Presentations, Essentials of Selling:</u></b> Format and content of presentations, psychology of the presentation, essential elements <b>Unit 9 Lecture:</b> The Psychology of Presentations <b>Unit 10 Lecture:</b> The “Pitch” – Telling Your Story	Text-Chapter 4
Oct 5	<b><u>Intellectual Property and Other Legal Issues:</u></b> Patents, Trademarks, Copyrights, Trade Secrets, Legal Organization <b>Unit 11 Lecture:</b> Intellectual Property	Text-Chapter 12
<b>8</b> Oct 10	<b>Mid-Term Exam Review</b>	
Oct 12	<b>Mid-Term Exam (Chapters 1,2,3,4,5,6, 12 and lectures)</b>	



<p><b>9</b> Oct 17</p> <p>Oct 19</p>	<p><b><u>Group Presentations: Business Opportunities-- First Presentation</u></b></p> <p><b><u>Group Presentations: Business Opportunities-- First Presentation</u></b></p>	<p><b>Assignment WA#3 and presentation</b> <i>Business Opportunity</i> (Group) Presentation submitted</p>
<p><b>10</b> Oct 24</p> <p>Oct 26</p>	<p><b>Leadership and Culture of the Entrepreneurial Organization:</b> The Role of the CEO, building a board of Directors, building the team, core values, culture, the “5 Dysfunctions of a Team” <b>Unit 12 Lecture:</b> The Entrepreneurial Organization</p> <p><b>Unit 13A Lecture:</b> Entrepreneurial Leadership – The Role of the CEO <b>Unit 13B Lecture:</b> Entrepreneurial Leadership – The Board</p>	<p>Text-Chapter 9</p>
<p><b>11</b> Oct 31</p> <p>Nov 2</p>	<p><b><u>Marketing and Selling in the Entrepreneurial Venture:</u></b> Segmenting the market, product positioning, Closed Loop Marketing and Sales Process <b>Unit 14 Lecture:</b> Sales and Marketing in the New Venture</p> <p>No Class-Team Time</p>	<p>Text-Chapter 11</p>
<p><b>12</b> Nov 7</p> <p>Nov 9</p>	<p><b><u>Marketing and Selling in the Entrepreneurial Venture:</u></b> Sales Learning Curve in the new Enterprise <b>Unit 15 Lecture:</b> The Sales Learning Curve for New Ventures <b>Team Time</b></p> <p><b><u>The Financial Plan: Elements of an Operational and Financial Plan:</u></b> Defining the business model, forecasting, integrating the plan into the organization, relationship between strategic and operating plans, tying performance to plan <b>Unit 16A Lecture:</b> Building a Successful Company – Planning <b>Unit 16B Lecture:</b> The Financial Plan</p> <p><b><u>Making the Plan Work:</u></b> Understanding your strengths and weaknesses, understanding the company’s readiness to execute, keys to execution, barriers to execution, key metrics that focus on execution, performance measurement <b>Unit 17 Lecture:</b> Making the Plan Work – Driving Better Execution</p>	<p>Text-Chapter 11</p> <p>Text-Chapter 8</p>
<p><b>13</b> Nov 14</p> <p>Nov 16</p>	<p><b><u>Attracting Stakeholders: Financing and valuing the New Venture;</u></b> Friends, Family, Fools, Friends, Angels VC’s. Financing the Venture, Sources of Finance, time, types of financing vs Stage of Venture, What to expect from a Venture investor, Networking, the Do’s and Don’ts of fundraising <b>Unit 18 Lecture:</b> Sources of Capital <b><u>Introduction to Venture Capital:</u></b> where venture capital “fits”, criteria to get venture financing, economic impact of venture capital, concept of milestone funding <b>Unit 19 Lecture:</b> Introduction to Venture Capital <b><u>Deal Structure, Deal Terms;</u></b> concepts &amp; terminology, Valuing the company, Understanding Term sheets <b>Unit 20 Lecture:</b> Mechanics of the Term Sheet <b><u>Exit Strategies, Ending the Venture:</u></b> IPO, M&amp;A, Shutdown, considerations for exit and ending the venture <b>Unit 21 Lecture:</b> Exiting the Venture</p>	<p>Text-Chapter 10</p>
<p><b>14</b></p>	<p><b>No Classes Nov 21 and 23-Winter Break/Thanksgiving</b></p>	

<b>15</b> Nov 28	<b>Business Plan Presentations</b>	<b>Due:</b> Peer Evaluations <b>Assignment, WA# 4,</b> <i>New Venture Business Plan</i> (Group)
Nov 30	<b>Business Plan Presentations</b>	
<b>16</b> Dec 5	<b>Final Exam Review</b>	
Dec 7	<b>Final Exam (chapters 8,9,10,11,13, 12 and lectures)</b>	

### Comet Creed

*This creed was voted on by the UT Dallas student body in 2014. It is a standard that Comets choose to live by and encourage others to do the same:*

“As a Comet, I pledge honesty, integrity, and service in all that I do.”

### UT Dallas Syllabus Policies and Procedures

The information contained in the following link constitutes the University’s policies and procedures segment of the course syllabus.

Please go to <http://go.utdallas.edu/syllabus-policies> for these policies.

## PEER EVALUATION FORM

### INSTRUCTIONS

The peer evaluation process is intended to provide group members with an opportunity to contribute to the evaluation of the performance of your team members on group activities. On the form below, you may rate the performance and contributions of your team members (including yourself) in the preparation of the group assignments. Instructions follow:

1. Enter the names of your group members (alphabetically by last name). Include yourself.
2. Evaluate each assignment separately. Each team member will begin with 100 points on each assignment.
3. You may reallocate the total number of points among team members within a range of 80 to 120 points for each individual, based on their contributions to the group effort on that assignment.
4. The total number of points allocated on any single assignment must equal 100 times the number of members of the team. If you have four members on the team, the total for each column should be equal to 400.
5. I will calculate an overall assessment as a weighted average of the individual ratings, using the percentage weights indicated below.

**Please submit your form in class.**

### PEER EVALUATION

Group Member (list alphabetically)	Group Project
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>6</b>	
<b>Total</b>	

### COMMENTS

Group Member	Comments (please support and justify any assessment below 90% or above 110%) Continue on reverse if necessary.
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>6</b>	

**Team #** \_\_\_\_\_  
**Project:** \_\_\_\_\_

**Name** \_\_\_\_\_  
**Signature** \_\_\_\_\_

