

Entrepreneurship & New Venture Strategy

MGT-413

4 CREDITS

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Course discord: <https://discord.gg/DFqMW9HaNQ>

Course moodle: <https://moodle.epfl.ch/course/view.php?id=15588>

Office hours by appointment

COURSE OVERVIEW

This class is a foundation course in Entrepreneurial Management. The purpose of this course is to explore new venture creation by adopting a process perspective – from opportunity recognition to the development of a viable business concept – and by studying the challenges of entrepreneurship from multiple functional perspectives (e.g., innovation, finance, marketing and communication), as well as from the perspective of various key constituents involved in new venture creation (e.g., customers, end users, venture capitalists).

DIDACTIC APPROACH AND CLASS ATTENDANCE

From a didactic perspective, the course will combine several learning methods:

- You will work in groups on a new venture proposal, i.e. generate business ideas, identify problems, analyze and evaluate alternatives, and develop plans. Thereby you can experience the early stages of new venture creation and apply theoretical knowledge;
- You will learn about key issues in new venture creation in class, you will discuss short case studies, you will be exposed to key theoretical writings on entrepreneurship and practice-oriented publications, and you will provide feedback to fellow students.
- Guest lecturers such as entrepreneurs will speak on specific topics of their expertise.

As much of the learning will occur in the classroom, class attendance and active class participation are crucial to obtain the value this class is offering. Thus, it is imperative that you come to class prepared. Please expect to be cold called, e.g. with questions on the readings or the cases. You are also expected to be in class on time out of respect to your fellow students and the lecturer. Each student may miss two classes without penalty, except those during which their team will make a presentation. After those two, your class participation and overall grade will be affected.

Please note that group work outside the class is an essential element of this course. Expect an above-average workload for this class.

LEARNING OUTCOMES

The course will offer an understanding of new venture creation combined with practical techniques and methods for analyzing and evaluating business opportunities, developing growth-oriented business models and approaches to market. The class will prepare students to work as key employees in new ventures, to pursue careers as autonomous entrepreneurs, careers as corporate entrepreneurs in established organizations and careers in the start-up community.

The five main pedagogical objectives of this course are:

- Understanding the challenges of new venture creation in a comprehensive, integrative way
- Experiencing the early stages of the entrepreneurial process by working on a venture project proposal
- Sharpening your ability to analyze and evaluate new venture opportunities
- Being able to write and present a convincing venture project proposal
- Develop an "entrepreneurial mindset"

MATERIALS

Course materials are available online on the Moodle Platform for the course ([link](#)) and Discord. You are recommended to consult all documents prior to each class. **Discord** is our new discussion and teamwork tool. You may join the group using this link: <https://discord.gg/DFqMW9HaNQ>. This will be a safe place to share any interesting links related to entrepreneurship, business or personal development. You can also post questions to your classmates and offer responses.

FORM OF EXAMINATION & GRADING

A. NEW VENTURE PROJECT (TEAM ASSIGNMENT)

Early in the course we will form student groups who will work during the semester on a venture project proposal. The new venture project has 3 phases and 4 deliverables (i.e., 1 presentation per phase, and a written venture proposal for the final phase).

Phase I: New Venture Ideas

Each team is expected to identify and assess 2 or 3 business opportunities. Your team is expected to come up with business ideas that are innovative (e.g., new product or service, new business model, new market, new value chain processes) and that offer a real potential for high-growth and value generation. While you should make use of ideas and solutions around you, the venture ideas should be an original effort of your team, and not a copy of someone else's idea. Note that ideas relating to real-estate, restaurants and management consulting services will not be allowed in this course. If in doubt, ask the lecturer.

Deliverable: New Venture Ideas Presentation

Short pitch (max. 5 minutes) and slide deck (max. 5 slides, .ppt or .pdf)

Submission deadline: **before noon on Tuesday 23.03.2021** via **Discord**.

Presentation to be given during Session 5 – New Venture Ideas presentation

Phase II: Marketing and Strategy

Once you have chosen the most promising idea your team will collectively work on transforming it into a viable and executable business plan. You will refine and validate the idea, employing different techniques (e.g. desk research, customer interviews and surveys, prototyping) to address the main uncertainties surrounding your new venture concept. You and your team will clarify the target market, value proposition and how you plan to create and capture value for your customers and your company. You should be able to communicate critical components of your new venture project, including its:

- Value proposition
- Business and revenue models
- Validation and proof of concept

Deliverable: Marketing and Strategy Presentation

Short pitch (max. 5 minutes) and slide deck (max. 5 slides, .ppt or .pdf)

Submission deadline: **before noon on Tuesday 27.04.2021** via **Discord**.

Presentation to be given during Session 9 – Marketing and Strategy presentation

Phase III: Final Venture Concept

In the third and final phase of the course, you will further refine your venture concept and focus on the final venture concept proposal. This is an opportunity for you to build on or correct the prior assumptions, and to revisit the nature of your business idea and business plan. In addition, we expect to hear more about:

- your business model and financial planning;
- your risk and contingency planning;
- your operational plan;
- your go-to-market strategy;
- your venture team

Deliverables: Final Venture Concept Presentation

Pitch (max. 10 minutes) and slide deck (max. 10 slides, .ppt or .pdf)

Submission deadline: before noon on **Tuesday 01.06.2021** via **Discord**.

Presentation to be given during Session 13 & 14 – Presentation of Final Venture Concept

Venture Concept Report

Report summarizing your concept and business plan (max. 14 pages excluding references and appendixes, font size 11, 1.5 line spacing, .pdf)

Submission deadline: before noon on **Wednesday 09.06.2021** via **Discord**.

Notes:

- Team changes will not be allowed during the semester.
- This is a team effort. All students are expected to contribute equally to the project and its four deliverables (3 presentations and 1 venture proposal).
- All team members must present at some point during the new venture project.
- Each presentation will be followed by a Q&A session. All team members must be available for the Q&A.
- Prepare all presentations and final report assuming your audience has no prior knowledge of the topic.
- Appropriately reference any content that is not created by the team in the presentations and report.
- More details about the deliverables will be provided in a series of memos available on Moodle.

B. PEER-TO-PEER FEEDBACK (INDIVIDUAL ASSIGNMENT)

Your participation in class is vital to creating an environment of engaged learning for all of us. Evaluation of your participation will be based mainly on the quality of your contribution and insights in the feedback forms you will prepare for your peers after each of the mid-term presentations. Specifically, you are expected to:

- make an honest assessment of other teams' pitches, putting yourself in the shoes of an early-stage investor. Are the ideas clear? What are their strong points? And the weakest? Do they represent attractive investment opportunities?
- help fellow students to further develop their opportunities and presentations, sharing not only critiques, but also actionable advice and concrete improvement points;
- support your arguments and recommendations with evidence and insights (e.g. from case studies, class presentations, and individual readings).

I will assess your feedback based on its elaboration, clarity, and constructiveness. More details on the feedback forms will be shared in class.

C. INDIVIDUAL ASSIGNMENT: Interview an Entrepreneur

The goal of this individual assignment is to give you an expanded understanding of the entrepreneurial journey through the experiences and lessons learned by a seasoned entrepreneur, and to encourage you to think about how you will think, act, and make decisions under similar pressures and circumstances. This is your chance to talk to someone in whom you are truly interested, for instance because of the type of venture this person has founded, the industry this person is working in, or because of the technology s/he is commercializing. The ultimate aim of this assignment is to discuss your key takeaways from this interview, simply reporting what your interviewee has told you is therefore not sufficient—we want to see your own independent assessment of this entrepreneur's experience. Your essay should therefore demonstrate your abilities in critical thinking, analysis and emotional intelligence. More specifically, your tasks are the following:

- Select an entrepreneur to interview

- Identify an entrepreneur in a domain that interests and excites you
 - Schedule the interview well before the due date!
- Define the focus of the interview
 - Specify an aspect of the business or entrepreneurial process to focus your interview
 - Prepare an interview guideline
- Conduct the interview
 - The interview should ideally last for at least 30 minutes
 - Try to engage your interviewee in a conversational style, use open-ended questions
- Analyze and interpret the interview
 - What are your key takeaways with respect to your topic focus?
 - What did you personally learn from this case?
 - How has this interview affected your understanding of entrepreneurship?
 - Relate your learnings from the interview to classroom discussion/ learnings/ reading

Deliverable: *Reflection paper*

Written report (max. 4 pages, font size 11, 1.5 line spacing, .pdf)

Submission deadline: **before noon on Tuesday 26.05.2021** via **Moodle**.

ASSIGNMENT OVERVIEW AND GRADING BREAKDOWN:

New Venture Project (team assignment) 70%

Within the new venture project, the following deliverables count as follows

- | | |
|---------------------------------------|-----|
| ○ New Venture Ideas Presentation | 20% |
| ○ Marketing and Strategy Presentation | 20% |
| ○ Final Venture Concept Presentation | 30% |
| ○ Final Venture Concept Report | 30% |

Peer to Peer Feedback (individual assignment) 10%

Within the peer-to-peer feedback, the following deliverables count as follows

- | | |
|--|-----|
| ○ Feedback on New Venture Ideas Presentations | 50% |
| ○ Feedback on Marketing and Strategy Presentations | 50% |

Reflection paper (individual assignment) 20%

COURSE SCHEDULE: A QUICK OVERVIEW OF THE SESSIONS

Session	Date	Topics	Submissions
1.	24.02.2021	Introduction to entrepreneurship	
2.	03.03.2021	Entrepreneurial opportunities	
3.	10.03.2021	Entrepreneurial teams	
4.	17.03.2021	Entrepreneurial spaces	
5.	24.03.2021	Presentation: New Venture Ideas	Slides due on 23.03.2021, at noon
-	27.03.2021	<i>no session, submit peer-to-peer feedback</i>	P2P Feedback due on 27.03.2021, at noon
6.	31.03.2021	Getting to product-market fit	
7.	14.04.2021	Business models: creating value	
8.	21.04.2021	Business models: capturing value	
9.	28.04.2021	Presentation: Marketing and Strategy	Slides due on 27.04.2021, at noon
	01.05.2021	<i>no session, submit peer-to-peer feedback</i>	P2P Feedback due on 01.05.2021, at noon
10.	05.05.2021	Basics of entrepreneurial marketing and strategy	
11.	12.05.2021	Basics of entrepreneurial finance	
12.	19.05.2021	Social entrepreneurship	
-	26.05.2021	<i>no session, submit reflection paper</i>	Reflection paper due on 26.05.2021, at noon
13 & 14.	02.06.2021	Presentation: Final Venture Concepts	Slides due on 01.06.2021, at noon
-	09.06.2021	<i>no session, submit final report</i>	Report due on 09.06.2021, at noon

Note: This class relies on timely submissions. Late submissions will lead to a lower grade.

DETAILED COURSE OUTLINE

Note: the exact order and content of the classes may be subject to small changes upon confirmation of guest lectures. Please consult the latest version uploaded on **Moodle** or **Discord**.

Session 1: Introduction to entrepreneurship

Overview to the domain of entrepreneurship, its importance and economic impact. In this session we will also clarify the structure of the course, deliverables and other formalities.

- *Read: Baron, R.A. and Shane, S.A. (2005). Entrepreneurship – A field and an activity. In: Entrepreneurship – A process perspective, chapter 1, pp. 2-26.*

Session 2: Entrepreneurial opportunities

What is a good opportunity? In this session, we discuss the meaning of entrepreneurial opportunities, the sources and process behind opportunity identification, and how to assess their value.

- *Read: Kaplan, S. (2019). The right questions to ask for startup success: How venture capitalists evaluate entrepreneurs. Chicago Booth Review.*

Session 3: Entrepreneurial teams

Teams will be formed in class, and led through a workshop on how to identify and evaluate the potential of business opportunities.

- *Watch: Gruber & Tal. Find the right markets for your innovation. EdX ([free videos](#)). Focus especially on videos explaining market opportunity set and how to evaluate market opportunities (week 2 and 3).*

Session 4: Entrepreneurial spaces

Discussion on the importance of the market and competitive landscape, and on some of the does and don'ts of startup pitching.

Session 5: New venture ideas presentation

Teams will present their venture ideas, evaluations, and decisions of which one they plan to pursue.

Session 6: Getting to product-market fit

Discussion on the assumptions and hypotheses behind your entrepreneurial opportunity, and how to test them and achieve proof of concept.

- *Read: Mullins, J. W. (2007). Discovering "Unk-Unks". MIT Sloan Management Review, 48(4), 17*

Sessions 7 & 8: Business models: creating and capturing value

Discussion on how to create and capture value, or in other words, how to best design your own business model. We will clarify what a business model is (and it is not), using the business model canvas as framework. We will learn how companies can find new ways to generate revenues while benefiting their customers.

- *Explore: The Business Model Navigator. A useful tool that provides a list of some of the most common business models, their prevalence across industries, plus valuable examples on how real companies implement them. ([link](#))*
- *Read: Amit, R., and C. Zott (2012). Creating value through business model innovation, MIT Sloan Management Review, 53, pp.41-49.*

Session 9: Marketing and strategy presentation

Teams present their marketing and strategy concepts.

Session 10: Basics of entrepreneurial strategy and marketing

Discussion on how to reach your customers and end-users, covering go-to-market strategy, entrepreneurial marketing, growth metrics and key performance indicators.

- *Read: Hambrick, D.C. and Fredrickson, J. W. (2001). Are you sure you have a strategy? Academy of Management Executive. Vol. 15, No. 4, pp. 48-59.*
- *Gruber, M. (2004). Marketing in new ventures: Theory and empirical evidence, Schmalenbach Business Review, Vol. 56, pp. 164-199.*

Session 11: Basics of entrepreneurial finance

Discussion on capital requirements, sources of financing, and how real-life companies present, justify and leverage financial projections to persuade investors of the attractiveness of their opportunity.

- *Read: Bhide, A. (1992). Bootstrap finance – the art of startups, HBR, Nov-Dec, pp. 109-117*
- *Read: Zider, B. (1998). How venture capital works, HBR, Nov-Dec, pp. 131-139.*

Session 12: Social entrepreneurship

Guest lecture by Dr. Christina Hertel on social entrepreneurship and how to integrate social and environmental issues in a business model.

Session 13 & 14 (extended double session): Presentation of Final Venture Concept

Teams present their final venture concepts in this last double session.