

# **New Venture Creation: Entrepreneurship**

## **ENGR 185B/285B**

### **Course description**

ENGR 185B/285B is an overview of the venture creation process. Analysis of new business opportunities, development of business value propositions, team building, venture financing, new venture planning, managing and protecting intellectual property, business formation, and other topics relevant to the entrepreneurial process. Open to upper division and graduate students.

### **Course Objectives**

This course blends theory and application to provide a basis for subsequent coursework within the Technology Management Program. It rewards students with an interest in leading or participating in an entrepreneurial venture with tools to make decisions for future coursework. The course focuses on principles, concepts, skills, practices, information, and choices that are relevant for start-up and early-stage entrepreneurs, entrepreneurial managers, and their stakeholders. It is a complex and demanding course with two basic objectives. The first is to teach effective entrepreneurial and general management practice from the perspective of the founder and stakeholders. The second is to apply the entrepreneurial perspective in order to approach business problems from a value creation framework.

The course content focuses on the critical role of opportunity creation and recognition of the entrepreneur, as the principle success factor in new enterprise formation and life cycle. The class will teach students how to:

1. Identify and determine the critical driving forces of the new venture success
2. Create, identify, and differentiate profitable and durable opportunities
3. Evaluate and determine how to create and build value
4. Identify and determine financial and non-financial resources available for new ventures
5. Identify business models and components of a business plan
6. Work in cross-disciplinary new venture teams

### **Required Reading**

*The Art of the Start*, Guy Kawasaki, Portfolio, 2004

*Note – limited copies of the following books will be loaned to students by Instructor*

*The MouseDriver Chronicles: The True-Life Adventures of Two First-Time Entrepreneurs*, John Lusk & Kyle Harrison, Perseus Books Group, 2003

*The Map of Innovation*, Kevin O'Connor, Crown Business, 2003

**Handouts:** Various

### **Additional Optional Reading Resources**

*Technology Ventures: From Idea to Enterprise*, Richard Dorf and Thomas H. Byers, McGraw Hill, 2005

*Startup: A Silicon Valley Adventure*, Jerry Kaplan, Penguin Books, 1994

*Four Steps to the Epiphany*, Steven Gary Blank

News.com

VC Blogs

socalTECH.com daily e-mail newsletter

Wall Street Journal

Inc Magazine  
Red Herring Magazine (RedHerring.com)  
The “Growing Concerns” section in issues of the Harvard Business Review  
Fast Company Magazine

### **Course Description**

Classes are held on Monday and Wednesday evenings. Classes will be highly interactive and require significant individual and group level preparation and participation. Using the texts and handouts as well as assigned readings, students will be expected to apply new information, concepts and interpersonal skills to a final team-based “New Venture Feasibility” project. Student teams will develop potential business ideas and improve these in order to present a final presentation to a panel of entrepreneurs.

### **Assignments**

Students are expected to have completed the readings for each session and to arrive for class prepared and on time ready to discuss the assignments and its application to new venture ideas. Everyone will participate in a number of team activities; a team is defined as 5-6 people, ideally each team should have at least one engineer or science student and at least one business/economics student.

*In-class exercises* are generally completed within your team during class. *Assignments* will be introduced during the lecture and completed either individually or by the team after class.

The *Feasibility Study* is a team assignment that lasts over the term and results in a presentation to a panel in the final week of the course. Final grades will be the result of evaluation by the instructor, your team members, and the panelists on the final Feasibility Study presentation.

### New Venture Feasibility Study

Prepare an opportunity assessment and present it to a panel of experienced entrepreneurs. Each team will have approximately 20-minutes to present a PowerPoint presentation with attachments that are appropriate to articulate the team’s new venture idea. See Exhibit A for the criteria used to evaluate the Feasibility Study presentations.

The Feasibility Study will be conducted over much of the course. Associated assignments will be submitted over the term to help keep you on track for the final presentation.

Consider the following when crafting your Feasibility Study:

- Develop ideas for a new product or service
- Determine if the product or service has a meaningful market potential
- Determine if the product or service is technologically feasible
- Determine the business model that will enable you to generate appropriate cash flows
- Identify attributes that are important and solicit customer feedback as your concepts evolve
- Identify market segments and estimate the size/potential growth rate; market test price points, distribution methodologies, etc.
- Build or demonstrate a prototype of your product or service and identify the resources needed to produce it economically
- Conduct a rough financial analysis
- What type of organization would you form to pursue this opportunity?
- What Intellectual Property protection is needed?

### Personal Assessment

**Note: This Assignment Applies Only To Graduate Students – Extra Credit for Undergraduates**

The Personal Assessment, which should not exceed five pages, reflects your introspective analysis of your personality, experiences, desires, strengths, weaknesses, etc. that will influence whether or not you will be a successful entrepreneur. This analysis should include a description of the type of team you will need to bring together in order to launch a successful venture, as well as the customer target markets, technologies, industries etc. that are the most appropriate fit for you. The specific skills to be embodied by this team should be articulated. Such skills are likely to be in those areas in which you are deficient, inexperienced and/or uninterested in pursuing.

This analysis should also include where your 'risk profile' falls on the risk spectrum (i.e., from "I am ready to mortgage my house today" to "I am most comfortable working at a Fortune 500 company"). Your grade will be based on the extent to which you demonstrate a deep, realistic self-awareness and the degree to which you are able to utilize your self-awareness to select the most appropriate entrepreneurial / non-entrepreneurial work environment, type of team members, types of market opportunities, etc. that will maximize your chances of success.

### Weekly Venture Ideas

The Weekly Venture Ideas should be complete individually and should not exceed one page. The first week, submit three ideas. Thereafter, approximately one idea per week shall be submitted, as specified in each Assignment. See the Venture Idea Checklist for further guidance.

Ideally, these ideas should arise from your daily encounters during the prior week. Keep your eyes and ears open to opportunities that might represent potential entrepreneurial ventures.

Each Venture Idea will be awarded up to twenty points, assigned equally based on the following criteria:

- Creativity / uniqueness
- Feasibility
- Market size (bigger is better)
- Personal applicability

**Email all assignments to ENRG185B@gmail.com.**

### **Graduate Grading**

- 15% Weekly Venture Ideas
- 15% Assignments (Assignments Not Otherwise Here)
- 15% Personal Assessment
- 25% In-class Participation, Exercises and Reading Quizzes
- 30% Feasibility Study

### **Undergraduate Grading**

- 20% Weekly Venture Ideas
- 20% Assignments (Assignments Not Otherwise Here)
- 30% In-class Participation, Exercises and Reading Quizzes
- 30% Feasibility Study

The team assignments will receive one grade and the team's self-evaluation will determine how the grades are assigned among the team members.

Presentations are timed and graded on accuracy, grasp of the course concepts and theories, and the depth and presentation of the team's analysis.

## Exhibit A Feasibility Study Evaluation Form

Panelist: \_\_\_\_\_

Team Name: \_\_\_\_\_

Final Score: \_\_\_\_\_ (100 max potential)

- Identification of customer problem, concept and description (10 points max) \_\_\_\_\_
  
- Thoroughness of data collection (10 points) \_\_\_\_\_
  
- Analysis of data to reach conclusions regarding:
  - Market potential (define market segments, growth potential) (10 points) \_\_\_\_\_
  - Technically feasible (10 points) \_\_\_\_\_
  
- Business model, financial analysis, pricing, and cash flow pro forma (10 points) \_\_\_\_\_
  
- Resources (components, people, info, marketing plan/partners, etc.) needed to make your product and launch the venture (5 points) \_\_\_\_\_
  
- What type of organization do you need and why, what is your IP strategy if any and why? (5 points) \_\_\_\_\_
  
- Presentation itself: quality of talk, executive summary document, slides, timeliness, and conclusion. (15 points) \_\_\_\_\_
  
- Overall comments (25 points) \_\_\_\_\_

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## Course Schedule

- Week 1**    **March 31**    **Introduction to Entrepreneurship**
- April 2**            Guest Speaker: **Jay Ferro, Founder, Nutricate & Silvergreens**  
<http://www.nutricate.com/>  
Characteristics of an Entrepreneur  
In-class Exercise: Entrepreneur Interview
- Week 2**    **April 7**            **Startup Stages**  
Assignment 1 Due
- April 9**            **Entrepreneurial Process**  
Guest Speaker: **Dan Engel, Founder, FastSpring**  
<http://www.fastspring.com/>  
Assignment 2-A Due
- Week 3**    **April 14**          **Opportunity Identification, Idea Generation and Evaluation**
- April 16**          **Building the Team / Leadership**  
Assignment 2-B Due
- Week 4**    **April 21**          Guest Speaker: **Kevin O'Connor, Founder, DoubleClick**  
<http://www.doubleclick.com/>  
Assignment 3 Due
- April 23**          Guest Speaker: **Eric Greenspan, Founder, Make It Work**  
<http://www.makeitwork.com/>  
Begin reading *MouseDriver Chronicles*  
Assignment 4 Due
- Week 5**    **April 28**          **Business Plan / Business Models**  
Assignment 5 Due
- April 30**          Guest Speaker: **Ning Wang, COO, Blue Casa Communications, Former  
President Bargain Network**  
<http://www.bluecasa.com/>  
Assignment 6 Due
- Week 6**    **May 5**            **Finance / Funding / Valuation of a new company**  
Assignment 7 Due
- May 7**            Guest Speaker: **Jim Andelman, Founder, Rincon Venture Partners**  
<http://www.rinconvp.com/>  
Assignment 8 Due

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- Week 7** May 12      **Sales / Marketing**  
Assignment 9 Due  
*MouseDriver Chronicles* Discussion and Quiz
- May 14      Guest Speaker: **Bernardo de Albergaria, Citrix Online, Vice President and General Manager, eCommerce**  
<http://www.citrixonline.com/>  
Assignment 10 Due
- Week 8** May 19      **Company Growth, Acquisitions, and Exit Strategies**
- May 21      Guest Speaker: **Larry Cohn, Stradling, Yocca, Carlson & Rauth, Partner & Head of Life Sciences Practice Group**  
<http://www.sycr.com/>  
Assignments 11 Due
- Week 9** May 26      *No class*
- May 28      **Intellectual Property and Corporate Law**  
Assignment 12 Due – Required for Graduate Students
- Week 10** June 2      **Negotiating**  
Assignment 13 Due
- June 4      **Final Panel Presentations** *New Venture Feasibility Study*