I. COURSE DESCRIPTION

MGMT 230 is the entry-level undergraduate course in Entrepreneurial Management and is a prerequisite to all other courses in the Wharton entrepreneurship curriculum. Entrepreneurship at Wharton is about applied business innovation, how to create value in firms, not only through new products or services, but also through new technologies, business concepts, transaction mechanisms, distribution channels, etc. Entrepreneurship is not about small business per se. Rather it addresses the art of wealth creation through the initiation of ventures with high growth potential.
The purpose of this course is to explore the many dimensions of new venture creation and growth and to foster innovation and new business formations in independent and corporate settings. We will be concerned with content and process questions as well as with formulation and implementation issues that relate to conceptualizing, developing and managing successful new ventures.

The four main learning objectives of the course are to:

- Experience the process: identify and pursue a business opportunity in either an independent or corporate setting with a team of motivated peers.
- Write a plan: develop a business plan for a new venture.
- Analyze the problems: ponder some fundamental issues related to venturing and learn to assess the risks, challenges and rewards involved in the venturing process.
- Meet practicing professionals: learn from the experiences of seasoned entrepreneurs and financiers, get feedback from professionals, and acquire practical knowledge and tools.

The emphasis in this course is on applying and synthesizing concepts and techniques from the functional areas of accounting, finance, managerial economics, marketing, operations management, and organization behavior in the context of new venture development.

You will be challenged to shift from being a receiver of ideas, facts, concepts and techniques, to a style that involves generating ideas, identifying problems, analyzing and evaluating alternatives, and formulating workable action plans, thus putting theoretical knowledge into practice.

You will get this hands-on experience in the following ways:

- Through the formation and ongoing work of a venture team that will develop a comprehensive business plan for a selected start-up. Teams are expected to utilize whatever tools or analytical approaches are appropriate for their venture.
- Through our lectures and guest lectures which are designed to familiarize you with the many dimensions of entrepreneurship. In most classes, we will devote some time (usually the first part of the class session) to lecturing on specialized topics, which are listed in the enclosed syllabus. There will be expert guest speakers on several topics, to be decided depending on the experts’ schedules. Details will be announced in class. There will have to be some flexibility in this lecture schedule to accommodate guest speakers’ schedules, though we plan to cover all of the listed topics during the semester.
- Through analyzing and constructively criticizing business plans. In some class meetings, venture teams will present a progress report to the class. The class will then react and comment on the presentations, in effect serving as a sounding-board of consultants, venture capitalists or executives from a parent corporation.

We will also lead class discussions on the cases that are included in the course package. You are expected to come to class well prepared to discuss the case studies that will be assigned periodically.

The contribution of this course to your management development (i.e., what you can expect to learn or how much you will learn) as well as the usefulness of the course in your ensuing professional career depends, to a large extent, on the following:

- The commitment of your team to the selected venture idea.
- The level of effort you and other members of your team put into turning the idea into a business.
- The cohesiveness of your team (i.e., how well you work together).
- And the overall atmosphere in the class.

You will be required to make heavy use of the internet and a range of other information technologies. You are encouraged to make use of a wide range of information sources to increase your effectiveness in performing market research and competitor analysis.

II. COURSE PREREQUISITES

MGMT 230 is an integrative course—one that combines material introduced to you in core courses, for purposes of applying the materials to the evaluation and creation of new ventures. Accordingly, the course is only open to upper-division Wharton undergraduate students who meet the following course pre-requisites: completion of all of the undergraduate core courses, i.e., at least one course each in marketing, management, introductory and advanced accounting and finance. (Additional courses are highly desirable, particularly in the areas of production, accounting, law and marketing.)
III. COURSE LOGISTICS

Grading
Grades will be determined as follows. Graded assignments are noted on the syllabus with an asterisk (*).

- Class attendance, participation and pop quizzes 20%
- Written exercises 20%
- Business plan 60%
- Feasibility Analysis 15% (of total course grade)
- Final business plan 30% (of total course grade)
- Presentations 10% (of total course grade)
- Individual Contribution 5% (of total course grade)

In addition, there will be ungraded written assignments related to the progress of the business plan. These assignments are optional, but are extremely helpful in preparing the business plan.

Your overall grade for the business plan will comprise a team grade (assigned to each member of the team) as well as an individual grade. The individual grade on the business plan will be determined in part by a peer review, in which each of your teammates evaluates your contribution to the development and delivery of the business plan.

Written assignments are to be typed/word processed, and turned in at the start of the class period on the date they are due. Late papers (anything after the start of class) are not accepted (except in the case of documented incapacity or emergency). There will be no regrading of papers.

Class Attendance, Participation and Pop Quizzes
Management 230 is a class discussion course. While the assigned reading material will provide a foundation for understanding entrepreneurial ventures, being a good entrepreneur requires experience. The class discussions will explore the entrepreneurial experience, as closely as we can without actually going out and starting/joining a venture. Thus your class participation is essential for your own benefit, as well as that of other students. If you are concerned about participating, you should discuss this with the professor prior to enrolling. Short pop quizzes will also be a component of the class designed to stimulate discussion on the assigned reading materials.

Class attendance (including arriving on-time to class) is a critical component to the course. Wharton School attendance policies will be fully in effect. Each unexcused absence will result in a deduction of 4 points from your total grade for the course. You should review known absences at the beginning of the semester with your professor; however, excused absences are limited to religious holidays and medical or family emergencies. Job interviews, sporting events, extended vacations, or other personal preferences will not count as excused absences. Excused absences for illness require a physician’s note. It is fully expected that students also arrive on time to class out of respect for your professor and classmates. Lateness to class will also impact your total grade.

We will start every case discussion by asking someone to “open” the case. In opening, you should be able to 1) identify the key issues in the case including problems and opportunities facing the entrepreneur or investor, 2) articulate and evaluate alternative approaches to the problems, and 3) describe and defend a course of action that you recommend. If for some reason you are not prepared for class, please let us know before the start of class to save us both the embarrassment of calling on you.

Guest lectures are an important part of the entrepreneurial learning experience. Please respect the contributions of our guest lecturers by researching their companies prior to class and arriving on time to class. Each guest lecturer will share their experiences and provide time for questions and answers. Please prepare questions in advance.

IV. COURSE MATERIALS

Required Bulkpack: The bulkpack required for MGMT 230 is available from Wharton Reprographics. It contains most readings. Additional readings will be available through the WebCafe/Internet or distributed in class.

Required Text: There is no required text for MGMT 230 this semester.
1. **Monday, September 9: Introduction—Course Overview and Content**  
   **Objectives:**  
   - Introduce course and instructor  
   - Review course requirements, materials, syllabus, grading  
   - Complete Entrepreneurship Survey  
   - Assign Value Proposition Exercise  
   **Readings**  
   1. Entrepreneurship Registration and Survey  
      Internet: Background on Wharton Entrepreneurial Programs: [www.wep.wharton.upenn.edu](http://www.wep.wharton.upenn.edu)  

2. **Wednesday, September 11: Who is the Entrepreneur? Case Study**  
   **Objectives:**  
   - Define Entrepreneurship  
   - Identify the characteristics of an entrepreneur  
   - Contrast entrepreneurship with management  
   - Discuss the role of the entrepreneur and entrepreneurship in economic development  
   - Assign Idea Paper Exercise  
   **Readings**  
   2. Bhide, “The questions every entrepreneur must answer”  

3. **Monday, September 16: Idea Generation**  
   **DUE:** Exercise #1–Value Proposition Exercise  
   **Objectives:**  
   - Discuss the continuum of Idea→Opportunity→Business Opportunity→Investment Opportunity  
   - Identify processes for generating ideas  
   - Identify critical elements of a “good idea”  
   - Assess requirements to take advantage of an idea  
   - Assign Group Concept Paper  
   **Readings**  

4. **Wednesday, September 18: Opportunity Evaluation**  
   **DUE:** Exercise #2–Idea Paper (in-class presentation); Team Rosters  
   **Objectives:**  
   - Market your venture concepts to potential team members  
   - Develop framework for assessing viability of a venture  
   - Compare and contrast a feasibility study and a business plan  
   - Assign Stakeholder Survey/Interview Exercise  
   **Readings**  

5. **Monday, September 23: Opportunity Evaluation; Case Study**  
   **DUE:** Group Concept Paper  
   **Objectives:**  
   - Describe an idea in terms of a specific product and/or service offering  
   - Assess viability of opportunity: value proposition, economic  
   **Readings**  
6. **Wednesday, September 25: The Business Plan — First Look at the Basics; Case Study**
   **Objectives:**
   - Define the structure of a business plan
   - Identify the objectives and target audience of a business plan
   - Discuss the critical elements of an effective business plan

   **Readings**
   8. Chemdex.com, HBS (9-898-076)

   WebCafe: Ernst & Young, “Guide to Producing a Business Plan”

7. **Monday, September 30: Market Analysis**
   **Objectives:**
   - Contrast primary and secondary research
   - Identify methods of conducting research for venture

   **Readings**

8. **Wednesday, October 2: The Business Plan — Structure and Content of Feasibility Analysis**
   **DUE:** Exercise #3—Stakeholder Survey/Interview Exercise
   **Objectives:**
   - Differentiate the feasibility study and the business plan
   - Identify requirements for venture feasibility
   - Discuss feasibility requirements of group concept papers

9. **Monday, October 7: New Venture Strategy — Business Models, Revenue Models, and Value Drivers; Guest Lecture**
   **Objectives:**
   - Identify critical economic drivers for both revenue and cost
   - Identify customer value proposition and mechanisms for measuring value
   - Describe existing value chain and venture’s role and impact on it

10. **Wednesday, October 9: Industry and Competitive Analysis; Case Study**
    **Objectives:**
    - Evaluate an industry environment
    - Identify characteristics of an opportunity-rich environment
    - Discuss critical requirements for initiating ventures in mature industries
    - Develop framework for assessing competitive advantage

    **Readings**
    13. Fox Broadcasting Company HBS (9-387-096)

11. **Monday, October 14: Marketing Strategies and Tactics; Guest Lecture**
    **Objectives:**
    - Discuss marketing and market strategy issues
    - Assign Financials Exercise

12. **Wednesday, October 16: New Venture Strategy — Timing of Entry; Mode of Entry; How to Compete**
    **Objectives:**
    - Identify critical customers, product differentiation, and product positioning for venture
    - Develop strategy to bring product/service to customer base

    **Readings**
    16. “Rogers's Diffusion of Innovation Forecasting ”
    17. Moore, “Crossing the Chasm and Beyond,” Inside The Tornado Chp 2

    WebCafe: Steve Jurvetson and Tim Draper, “Viral Marketing”
**DUE:** Exercise #4–Financials  
**Objectives:**  
- Identify critical elements of new venture financial statements  
- Evaluate a venture based solely on financial information  
**Readings**  

14. **Wednesday, October 23: PRESENTATIONS OF FEASIBILITY ANALYSIS**

15. **Monday, October 28: PRESENTATIONS OF FEASIBILITY ANALYSIS**

16. **Wednesday, October 30: Financial Planning — Sources of Funds**  
**Objectives:**  
- Contrast sources of funding for ventures  
- Identify alternative deal structures for venture financing  
**Readings**  

17. **Monday, November 4: Venture and Angel Capital, Deal Structure**  
**Objectives:**  
- Identify criteria for evaluating ventures  
- Differentiate angel and venture capitalist investments  
- Assess potential risk factors for ventures and impact on investments  
**Readings**  
WebCafe: Sample Term Sheet  
Internet: Price Waterhouse Coopers MoneyTree Survey (www.pwcmoneytree.com)

18. **Wednesday, November 6: Venture Capitalist Perspectives; Guest Lecture**  
**Objectives:**  
- Discuss process of evaluating ventures  
- Describe operations of a venture fund  
- Discuss interactions and issues with managing portfolio companies

19. **Monday, November 11: Managing Venture Growth**  
**Objectives:**  
- Identify mechanisms of and requirements for growth of a venture  
- Describe effective organizational structures  
- Introduce Relaunch process and methodology  
- Discuss the importance of controls for early stage ventures  
- Implement methodology for planning and executing growth of venture  
**Readings**  
WebCafe: Antiphony’s Relaunch Methodology

20. **Wednesday, November 13: Operations Systems and Contingency Planning**  
**Objectives:**  
- Discuss the operational challenges for entrepreneurship  
- Review alternative operations strategies for adapting an organization to changes in the marketplace
21. **Monday, November 18: The Rules of the Road — Legal and Ethical Issues**  
**Objectives:**  
- Contrast the business forms and legal structures for a venture  
- Discuss issues with corporate governance  
**Readings**  

22. **Wednesday, November 20: Entries and Exits — Career Paths and Business Lifecycles**  
**Objectives:**  
- Discuss the role of entrepreneurship in career paths  
- Differentiate entry strategies  
- Differentiate harvest strategies for a venture  
- Evaluate strategies in context of marketplace environment

23. **Monday, November 25: Business Lifecycles and Leadership; Guest Lecture**  
**Objectives:**  
- Differentiate entrepreneurial and traditional corporate career paths  
- Identify leadership styles and requirements throughout the lifecycle of a business

24. **Wednesday, November 27: Group Meetings**

25. **Monday, December 2: PRESENTATIONS OF BUSINESS PLAN**  
(ALTERNATIVE: Friday, December 6)

26. **Wednesday, December 4: PRESENTATIONS OF BUSINESS PLAN**

27. **Monday, December 9: Course Summary**

**Friday, December 13: Wharton Entrepreneurial Programs (WEP) Office**  
Vance Hall, 4th Floor. Papers due by 5:00pm (Two copies)
Management 230: Entrepreneurship and Venture Initiation
Reading List — Fall 2002

I. COURSE PACK READINGS
1. Entrepreneurship Registration and Survey
2. Bhide, “The questions every entrepreneur must answer”
3. Stevenson, “A Perspective on Entrepreneurship,” The Entrepreneurial Venture, Chp 1
4. Howard Head and Prince Manufacturing, Inc., HBS (9-388-079)
8. Chemdex.com, HBS (9-898-076)
13. Fox Broadcasting Company HBS (9-387-096)
16. “Rogers’s Diffusion of Innovation Forecasting”
17. Moore, “Crossing the Chasm and Beyond,” Inside The Tornado Chp 2
23. “Valuation Techniques,” HBS (9-384-185)
26. “Choosing the Legal Form of the Business,” Starting and Operating a Business, Preliminary Considerations Chp 2

II. INTERNET AND WEBCAFE READINGS
- Internet: Background on Wharton Entrepreneurial Programs: (www.wep.wharton.upenn.edu)
- WebCafe: Ernst & Young, “Guide to Producing a Business Plan”
- WebCafe: Steve Jurvetson and Tim Draper, “Viral Marketing”
- WebCafe: Sample Term Sheet
- Internet: Price Waterhouse Coopers MoneyTree Survey (www.pwcmoneytree.com)
- WebCafe: Antiphony’s Relaunch Methodology