



USC Marshall
School of Business
*Lloyd Greif Center for
Entrepreneurial Studies*

BAEP 451 – The Management of New Enterprises

Syllabus – Fall 2013 – MW – 12:00-1:50 PM

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Office Hours: MW, 10:15 AM - 11:30 AM; and by appointment

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Course Description

This course provides an introduction to and overview of the fundamentals of entrepreneurship. Whether you already have an idea and are eager to start your own business, or simply want to learn more about what an entrepreneurial career would be like, this course exposes you to the challenges of entrepreneurship – encompassing issues related to conceptualizing, developing, and managing new ventures.

The course traces new venture creation from ideation through the point of opportunity recognition, with emphasis placed on understanding the mechanisms by which entrepreneurs determine if a specific business concept merits the in-depth feasibility assessment appropriate to opportunity pursuit. More broadly, the course allows students to gain a conceptual understanding of the entrepreneurial process as a whole – including topics such as testing/adapting a business concept, defining a market entry strategy, developing a business model, and financing an enterprise. We also discuss alternative entrepreneurial paths, such as corporate entrepreneurship and social entrepreneurship.

Understanding the process of starting and growing a company is essential for pursuing an entrepreneurial path. But there is more to entrepreneurship than that. It's a mindset, a way of looking at things that is opportunity-focused and creative. It's about passion – doing what you love. It's about creating value and gaining independence. It's about challenge, risk, persistence, and the ability to innovate – to improve on the old or invent the new. It is my hope that this course will not only introduce you to entrepreneurship, but will also foster this entrepreneurial mindset in you.

This class is demanding.

You will have to dedicate considerable out-of-class time to projects that involve fieldwork and be comfortable operating without the structure of more traditional classes.

Entrepreneurship is inherently uncertain.

This course is designed to recreate some of that uncertainty for participants.

Course Learning Objectives

In this course, you will develop your conceptual and practical knowledge of new venture creation and management. Specifically, you will develop:

1. An understanding of the fundamental concepts, theories, and practices employed in the field of entrepreneurship and of the role entrepreneurship plays in the global economy and society.
2. An understanding of the new venture creation process – the activities, challenges, and opportunities involved.
3. Your critical thinking, idea generation, and decision-making abilities (by analyzing situations and formulating strategies for entrepreneurial cases and by conducting a semester-long business opportunity project).
4. Your leadership skills, particularly in the areas of team leadership and entrepreneurial leadership.
5. Your oral and written communication skills (by, for example, learning to craft an effective concept statement, develop an in-depth industry analysis, and deliver a persuasive business pitch).

To achieve these objectives, a combination of methods will be used in the course, including lectures, case studies, individual and team projects, student presentations, and guest speakers.

Required Materials

Required materials include a textbook and various articles and cases. An activity fee is also required for a team-building exercise conducted early in the semester.

- **Textbook** (estimated price of new book: \$43; estimated price of rented book: \$19): Read, S, Sarasvathy, S, Dew, N, Wiltbank, R, Ohlsson, A-V. *Effectual Entrepreneurship*. New York, NY: Routledge; 2011. Available through USC bookstore, Amazon.com, and the publisher.
- **Course Reader** (estimated price: \$11.85): Available through the Harvard Business School Publishing site: <https://cb.hbsp.harvard.edu/cbmp/access/20668331>. Note that, in order to purchase, you will first have to register and log in. If you need assistance, contact HBP Tech Help directly (1-800-810-8858 or techhelp@hbsp.harvard.edu, 8 AM - 8 PM ET on Mondays - Thursdays and 8 AM - 7 PM ET on Fridays).
- **Marston Venture Management Case** (estimated price: \$3.75): Available through The Case Centre (www.thecasecentre.org). Purchase instructions will be provided in class.
- **Activity Fee** (price: \$12): All students are expected to sign up for a team-building activity, to be held on September 9. Register prior to that day's session at: <http://professorgrossman.eventbrite.com>.
- **Additional Readings on Blackboard**: Additional readings and cases on issues related to the course topics will be provided free of charge in class or in Blackboard.

If you remain enrolled in this class, it is assumed to mean that you have read and understood this syllabus. By enrolling, you promise to uphold the policies and guidelines detailed herein and agree to complete all required coursework.

Course Communication

Course communication will take place through announcements in class, emails, and on Blackboard (blackboard.usc.edu). Many of the emails I send will go through Blackboard; therefore, it is imperative that you have a fully operational Blackboard account with a current and correct USC email address posted. By default, Blackboard uses your USC email address (username@usc.edu) for sending emails; if this is not your primary email account, please make sure to forward your USC email to the account you use.

Text message reminders and announcements are also available to students via the Remind 101 system. To sign up for these, text @451f13eg to (415) 813-6518. (Note that text charges might apply to your account for use of this service.)

<p>You are responsible for ensuring that you receive and read class messages in a timely fashion.</p>
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Grading Policies

To achieve an A or A- in this class, you will need to go well beyond the minimum requirements as stated in the syllabus in terms of the quality of your work and your involvement in and contribution to the class. An A is a sign of superior work and, much like the efforts of entrepreneurs, reflects the fact that you stood out from the crowd. All assignments will have complete instructions available in BB and be discussed in class before they are due.

Final grades represent how you perform in the class relative to other students. Your grade will not be based on a mandated target, but on your performance. Historically, the average grade for undergraduate elective classes at the Marshall School has been 3.3 (B+). Your final grade will be assigned based on your total points from the various assignments and other course evaluation components (listed in the table on page 4), the overall average points within the class, and your ranking among all students in the class.

If you have any questions about your grade during the semester, please make an appointment to see me to discuss your concerns. Do not wait until the end of the semester to do so!

Assignments

There are five required assignments in this course, plus two required quizzes. Detailed instructions for these assignments and quizzes will be distributed and discussed separately, and the deadlines are listed in the class schedule at the end of this syllabus.

- **The Opportunity Scavenger Hunt** (an individual assignment): You will identify a unique and remarkable opportunity already in market and then share with the class the thought process underlying your choice.
- **The E-Challenge** (a team assignment): You will complete a value-creation exercise outside of the classroom and then share a video of your experience with the class.
- **The “Spot the Opp” Challenge** (a team assignment): You will research and select, from a list of ventures in search of funding, the venture that you believe represents the best opportunity and thus merits funding. You will share your thought process and recommendation with the class.

- **The Opportunity Project** (a team assignment): You will research an industry, identify an entrepreneurial opportunity, and develop and present the related business concept.
- **The Entrepreneur Interview** (an individual assignment): You will find and interview an entrepreneur whom you do not know and provide a written analysis of what you learned.
- **Quizzes:** You will complete two short quizzes (multiple choice and short answer), in which you address questions about lecture content, assigned readings, and guest speakers.

In addition, students may choose (for extra points) to write Thank You notes to one, two, or three of our guest speakers and/or to write a Networking Paper. Further instructions for both of these options will be distributed and discussed in class. **(Note: Extra points are only available to students who have completed ALL other assignments and quizzes; they may not be used to replace missed work. Points can be banked throughout the semester, but will only be added to a student's grade at semester's end, after completion of all other work can be confirmed.)**

Your final grade is based on an evaluation of the activities in the below table.

Assignments and Grading Details

ASSIGNMENTS	POINTS	% OF GRADE
<u>PARTICIPATION</u>	<u>100</u>	<u>10%</u>
- Questionnaire, team-building and ELC exercises, speaker thank you notes, in-class comments and deliverables	Individual	
<u>QUIZZES</u>	<u>100</u>	<u>10%</u>
- Quiz I	50	5%
- Quiz II	50	5%
<u>THE OPPORTUNITY SCAVENGER HUNT</u>	<u>50</u>	<u>5%</u>
- Discovery deck and presentation	Individual	
<u>THE E-CHALLENGE</u>	<u>100</u>	<u>10%</u>
- Challenge Video	Team	8%
- Peer Evaluation I	Individual	2%
<u>THE ENTREPRENEUR INTERVIEW</u>	<u>50</u>	<u>5%</u>
- Paper	Individual	
<u>THE "SPOT THE OPP" CHALLENGE</u>	<u>150</u>	<u>15%</u>
- Recommendation deck and presentation	Team	12%
- Peer Evaluation II	Individual	3%
<u>THE OPPORTUNITY PROJECT</u>	<u>450</u>	<u>45%</u>
- Industry and Team Declaration	Team	1%
- Draft Paper and Consultation	Team	4%
- Pitch Deck & Presentation	Team	15%
- Final Paper	Team	20%
- Peer Evaluation III	Individual	5%
<u>(OPTIONAL) EXTRAS</u>	<u>50</u>	
- Up to 3 "Thank You" notes (5 points each)	Individual	15
- Networking Paper	Individual	35
TOTAL*	1000	100%

* "Extra" points are not here included in the total.

Note: If you don't inform me of missing or incorrect grades within two weeks of the grades being posted, the grades will be assumed correct. Do NOT wait until the semester's end to check or appeal any grades.

Assignment Submission Policies (Please read carefully!)

The following guidelines apply to ALL assignments, without exception.

All assignments must be submitted in two ways: (1) via Blackboard upload, and (2) in hard copy form, (both prior to the start of the class session in which the item is listed as due in the Course Calendar, i.e., by 11:59 AM). No exceptions. If you will not be in class on the due date, your assignment must still arrive by the time and date it is due; ask a friend or classmate to submit the hard copy assignment on your behalf. You are encouraged to submit files before the deadline. Please keep copies of all your files and emails until the end of the semester.

1. In Blackboard, your **SINGLE** Word or PowerPoint file must be labeled as follows: **yourlastname_451_assignmentname**. The "assignment name" for your submission file will always be listed in the detailed assignment instructions.
2. You should put your name and your teammates' names (if it is a team assignment) in alphabetical order at the top of the front page of the actual assignment document, unless it is a PowerPoint file (where you will use a cover slide). A standard 5-point deduction will be taken for any assignment that misspells or omits a student name.
3. Depending on the assignment requirements, your file will be either a Word doc or a PowerPoint file. No other types of files will be accepted.

Assignments that do not follow these rules will be returned and, in cases of resubmission after the original due date and time, be considered late.

These requirements are necessary to maintain order and to find files quickly.

Assignments will be accepted after the deadline with the following penalties:

Submitted between start (12:00 PM) and end (1:50 PM) of class	10% deduction
Submission in the 48 hours after class ends	20% deduction
Submission between 48 hours and 3 days after the due date	30% deduction
Submission between 4 days and 7 days after the due date	50% deduction
Submission more than 7 days after the due date	100% deduction

Evaluation of Your Work

Papers, Presentations, and Other Submissions

You may regard each of your submissions as an “exam” in which you apply what you’ve learned according to the assignment. I will do my best to make my expectations for the various assignments clear and to evaluate them as fairly and objectively as I can. If you feel that an error has occurred in the grading of any assignment, you may, within one week of the date the assignment is returned to you, write me a memo in which you request that I re-evaluate the assignment. Attach the original assignment to the memo, which should include a thoughtful and professional explanation of your concerns. Be aware that the re-evaluation process can result in three types of grade adjustments: positive, none, or negative. (Note: Complaints on the date of a graded assignment’s return to you will not be addressed.)

Classroom Participation

Attendance is critical to the participation component of the course and to learning in general, as we will discuss material not found in the textbook; in addition, we will undertake a number of in-class exercises and discussions that require your regular attendance. Entrepreneurship is inherently collaborative (i.e., it is a social process). Entrepreneurs find opportunities, adapt, change, and improve themselves by listening and learning from others. Please come to class prepared to participate in the day’s activities – having completed that day’s assigned readings and prepared to discuss your project progress. Arrive on time so as not to disturb your peers, a guest speaker, or the professor.

The attendance, participation, and in-class exercises portion of the grade is 100 points and is evaluated in a number of ways. Obviously, participation is correlated with attendance. It is impossible to earn an excellent participation grade if you are not in class. In general, students fall into four participation categories that essentially correlate with grades of A, B, C, D. They are:

- **Outstanding Contribution:** Your contributions reflect considerable preparation; they are substantive and supported by the readings. You are also able to relate your own experience to the topic. The class, in general, listens when you speak because they learn something. If you were not a member of class, the discussions would suffer.
- **Excellent Contribution.** You come prepared with substantiated comments. You demonstrate good insight and clear thinking. The class notices when you’re not part of the discussion.
- **Average Contribution.** Your preparation is satisfactory and achieves the minimum requirements. You rarely offer interesting insights into the discussion, but sometimes you present a compelling idea or take the discussion in a new direction. Alternatively, your comments are often off-point and do not provide any constructive direction to the discussion.
- **No Contribution.** You say little or nothing in class. If you were not in the class, the discussion would not suffer. In the rare case where a student is unable to participate for language or other reasons, please consult me early in the semester. It is your responsibility to make sure I know who you are by name.

MARSHALL GUIDELINES

Add/Drop Process

In compliance with USC and Marshall's policies, classes are open enrollment (R-clearance) through the first week of class. All classes are closed (switched to D-clearance) at the end of the first week. This policy minimizes the complexity of the registration process for students by standardizing across classes.

I can choose to drop you from the class if you fail to attend the first two sessions of the semester. (Please note: If you decide to drop, or if you choose not to attend the first two sessions and are dropped, you risk not being able to add yourself to another section this semester. You can only add a class after the first week of classes if you receive approval from the instructor.)

Retention of Graded Coursework

Final exams and all other graded work which affected the course grade will be retained for one year after the end of the course **if** the graded work has not been returned to you (i.e., if I returned a graded paper to you, it is your responsibility to file it, not mine).

Lloyd Greif Center for Entrepreneurial Studies Confidentiality Policy

Throughout the Entrepreneur Program's classes and events, students will be exposed to proprietary information from other students, guest lecturers, and faculty. It is the policy of the Entrepreneur Program that all such information is to be treated as confidential.

By enrolling in and taking part in the Entrepreneur Program's classes and activities, students agree not to disclose this information to any third parties without specific written permission from students, guest lecturers, or faculty, as applicable. Students further agree not to utilize any such proprietary information for their own personal commercial advantage or for the commercial advantage of any third party.

In addition, students agree that any legal or consulting advice provided without direct fee and in an academic setting will not be relied upon without the enlisted opinion of an outside attorney or consultant without affiliation to the Program.

Any breach of this policy may subject a student to academic integrity proceedings as described in the University of Southern California University Governance Policies and procedures as outlined in *SCampus* and to any remedies that may be available at law.

The Entrepreneur program, the Marshall School of Business, and the University of Southern California disclaim any responsibility for the protection of intellectual property of students, guest lecturers or faculty who are involved in Entrepreneur Program classes or events. Receipt of this policy and registration in our classes are evidence that you understand this policy and will abide by it.

Technology Policy

Web-enabled devices are not permitted during academic or professional sessions unless otherwise stated by the professor. Use of other personal communication devices such as mobile phones is considered unprofessional and is not permitted during academic or professional sessions. Web-enabled

devices (e.g., laptops, tablets, smartphones) are permitted during class ONLY if approved by the professor. Videotaping of faculty lectures is not permitted due to copyright infringement regulations. Audiotaping may be permitted ONLY if approved by the professor. Use of any recorded material is reserved exclusively for USC Marshall students. [See Class Notes Policy, below, for further details.]

Statement for Students with Disabilities

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in STU 301 and is open from 8:30 AM to 5:00 PM, Monday through Friday. The phone number for DSP is (213) 740-0776. For more information, visit www.usc.edu/disability.

Statement on Academic Integrity

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. *SCampus*, the Student Guidebook (www.usc.edu/scampus or <http://scampus.usc.edu>), contains the University Student Conduct Code (see University Governance, Section 11.00), while the recommended sanctions are located in Appendix A.

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/>. Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

Please be advised that your assignments may be randomly submitted to "TurnItIn" through the Blackboard system, which will generate an originality report on your paper.

Your original thought, in addition to carefully cited sources, will insure that you don't run into academic integrity issues that may affect your grade or your status at USC. Any material cited verbatim from its source should be in quotes and contain a reference to a full citation for that source. Paraphrased work should also clearly cite the source material.

Class Notes Policy

Notes or recordings made by students based on a university class or lecture may only be made for purposes of individual or group study, or for other non-commercial purposes that reasonably arise from the student's membership in the class or attendance at the university. This restriction also applies to any information distributed, disseminated or in any way displayed for use in relationship to the class, whether obtained in class, via email or otherwise on the Internet, or via any other medium. Actions in violation of this policy constitute a violation of the Student Conduct Code, and may subject an individual or entity to university discipline and/or legal proceedings. Again, it is a violation of USC's Academic Integrity Policies to share course materials with others without permission from the instructor.

No recording and copyright notice. No student may record any lecture, class discussion or meeting with me without my prior express written permission. The word “record” or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. I reserve all rights, including copyright, to my lectures, course syllabi and related materials, including summaries, PowerPoints, prior exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. Exceptions are made for students who have made prior arrangements with DSP and me.

Emergency Preparedness/Course Continuity

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.

Please activate your course in Blackboard, with access to the course syllabus and other materials. This will be crucial in an emergency. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.

COURSE CALENDAR/READINGS/CLASS SESSIONS

This schedule is subject to change, as based on in-class activities and guest speaker availability. Key: EE = *Effectual Entrepreneurship*; CR = HBSP course reader; CC = CaseCentre; BB = Blackboard; T = team; I = individual

DATE	TOPICS	READINGS	ASSIGNMENTS
WEEK 1			
Monday, August 26	Introduction and Overview		
Wednesday, August 28	Myths of Entrepreneurship I: On Being a Visionary	<ul style="list-style-type: none"> • Syllabus • Chapter 1 (EE) 	
WEEK 2			
No class on Monday, September 2: Labor Day			
Wednesday, September 4	Finding the “Good Idea”	<ul style="list-style-type: none"> • Chapter 2 (EE) 	
WEEK 3			
Monday, September 9	Building the Entrepreneurial Ecosystem I		<ul style="list-style-type: none"> • Sign up online for team-building activity <u>before</u> the start of class! • Questionnaire
Wednesday, September 11	Understanding the Entrepreneurial Journey		
WEEK 4			
Monday, September 16	Myths of Entrepreneurship II: On Risk-Taking	<ul style="list-style-type: none"> • Chapter 3 (EE) 	<ul style="list-style-type: none"> • Opportunity Scavenger Hunt paper due (I)
Wednesday, September 18	Wanting, Needing, Finding, and Spending Money	<ul style="list-style-type: none"> • Chapter 4 (EE) • Malincho (CR) 	
WEEK 5			
Monday, September 23	Myths of Entrepreneurship III: On Forecasting	<ul style="list-style-type: none"> • Chapter 5 (EE) • Marston Ventures (CC) 	
Wednesday, September 25	The Entrepreneur as Decision-Maker: Taking the Plunge	<ul style="list-style-type: none"> • Chapter 6 (EE) 	<ul style="list-style-type: none"> • QUIZ I
WEEK 6			
Monday, September 30	E-Challenge I: Creating and Capturing Value		
Wednesday, October 2	E-Challenge II: Communicating Value		<ul style="list-style-type: none"> • E-Challenge videos uploaded <u>before</u> the start of class! (T) • Peer Evaluation I due (I)
WEEK 7			
Monday, October 7	Myths of Entrepreneurship IV: On Being Different	<ul style="list-style-type: none"> • Chapter 7 (EE) 	<ul style="list-style-type: none"> • I & T declaration due (T)
Wednesday, October 9	The Upside of Failure	<ul style="list-style-type: none"> • Chapter 8 (EE) 	<ul style="list-style-type: none"> • Entrepreneur Interview paper & presentations due (I)
WEEK 8			
Monday, October 14	The Bird-in-Hand Principle	<ul style="list-style-type: none"> • Chapter 9 (EE) 	
Wednesday, October 16	Managing Uncertainty		

WEEK 9			
Monday, October 21	Entrepreneurial Decision-Making I	Class will today be held in JKP 301.	
Wednesday, October 23	Entrepreneurial Decision-Making II	• Chapter 10 (EE)	
WEEK 10			
Monday, October 28	The Affordable Loss Principle	• Chapter 11 (EE)	
Wednesday, October 30	Opportunity Communicated I: Designing the Pitch		• Draft Opportunity Paper due (T)
WEEK 11			
Monday, November 4	Team consultations: Meet in Bridge 1		• Agenda & questions brought to consultation (T)
Wednesday, November 6	Team consultations: Meet in Bridge 1		• Agenda & questions brought to consultation (T)
WEEK 12			
Monday, November 11	The Spot the Opp Challenge I: Kick-Off		• QUIZ II
Wednesday, November 13	Opportunity Evaluation and Recognition for Experts	• "Spot the Opp" Briefing Book (BB) • How VCs Evaluate ... (CR)	
WEEK 13			
Monday, November 18	Opportunity Evolution	• Dropbox case (CR)	
Wednesday, November 20	The Spot the Opp Challenge II: Recommendation		• Spot the Opp Recommendation due (T) • Peer Evaluation II due
WEEK 14			
Monday, November 25	Networking 101		• Last day (optional) Networking Paper can be submitted
No class on Wednesday, November 27: Thanksgiving			
WEEK 15			
Monday, December 2	Opportunity Pitch I		• Opportunity Pitch Deck due <u>before</u> class! (T) • Opportunity Pitch I due (T)
Wednesday, December 4	Opportunity Pitch II		• Opportunity Pitch II due (T)
Friday, December 13	Final		• Opportunity Paper due (T) • Peer Evaluation III due (I)