ENTREPRENEURSHIP

BUS 230a

Fall Semester - 2012

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BRANDEIS UNIVERSITY

ENTREPRENEURSHIP
BUS 230a

Course Overview

The Entrepreneurship course prepares students to start and nurture their own business. The preponderance of courses at the graduate level in economics, finance and business prepare students to participate successfully in large enterprises and organizations. However, history shows that many students will at some point in their careers turn to participating in an entrepreneurial endeavor either by starting their own business or by participating in a management buyout of their employer. These courses attempt to develop the attitudes, skills and knowledge that will support that activity.

There are two primary routes for successful new ventures. One involves careful market research, well thought out business plans, extensive financial plans, full management teams and significant venture or other outside capital. The subsequent "business plan ventures" tend to be of significant size. Successful start-ups or buyouts following this route decorate the headlines of the business press. **(Preparation and Presentation of a Business Plan are covered in Entrepreneurial Finance and Business Plans (BUS231-Spring Term).**

A second route involves less formally planned and resource intensive ventures. This is sometimes referred to as the "bootstrap approach". While they may turn out to be significant enterprises (Hewlett Packard and Calvin Klein come to mind) most do not become household words. Nonetheless, they can lead to significant work and a meaningful lifestyle. In total they contribute significantly to new job creation and development in the economy.

The Entrepreneurship course (BUS230a) concentrates on the issues, ideas and approaches of successful "bootstrap" ventures, management buyouts and early stage operations. Students completing this course should have gained skills to identify and evaluate potential opportunities, determine various ways of defining and securing start up resources, determine sources of LBO finance, determine methods of working with investors, learn methods of creating a positive corporate culture, creating a sales and marketing force, hiring talented people and managing cash.

LEARNING GOALS

STUDENTS WILL:

1. LEARN THE ANALYTICAL STEPS THAT CHANGE A RAW IDEA INTO A TRUE BUSINESS OPPORTUNITY.
2. LEARN THE VALUE CREATED FOR SPECIFIC CUSTOMERS OR MARKET SEGMENTS. THEN LEARN TO SPECIFICALLY MEASURE THE SIZE AND CHARACTERISTICS OF THE MARKET OPPORTUNITY.
3. LEARN PRICING STRATEGIES THAT KEY INTO THE VALUE CHAIN ENHANCING THE OPPORTUNITY.
4. LEARN HOW TO FORMULATE STRATEGIES THAT MAXIMIZE THE VALUES DEFINED EARLIER AND MINIMIZE POTENTIAL COMPETATIVE THREATS.
5. LEARN THE VARIOUS FINANCING METHODS AVAILABLE AND HOW EACH FITS INTO DIFFERENT OPPORTUNITIES.

Course Requirements

This course will use the case discussion method of learning. Required readings will consist of Harvard and Stanford Business School cases, books and selected articles. Regular preparation and contribution to class discussions is critical for both individual and group learning. We can each learn from other's point of view and experiences. And we learn more by participating in the debate than by passive listening. To encourage preparation and participation, **each class session will start with the cold calling on a student at random.**

Class discussions will be supplemented with outside speakers, i.e. successful entrepreneurs, lawyers, accountants, venture capitalists and bankers who work with start up companies**. Attendance at the primary presentation of these speakers is a requirement of the course.**

Grading

Half the grade will be based on a student's contribution to class discussion. The other half of the grade will be based on the mid-term and final examinations.

If a student has a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class please contact me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.

Honesty

You are expected to be honest in all of your academic work. Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include Failure in the Course and Suspension from the University. If you have any questions about my expectations, please ask.

Appointments

Prof. Reed is available for individual student meetings at mutually agreeable times and locations. If you wish an appointment email **CREEDJR40@comcast.net** or call **781-571-4873.**

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List of Materials

CASES

R&R	386-019; Rev. 11/87
Ice Delights	898-196; Rev 7/03
Steve Belkin	383-042: Rev. 9/88
Allen Lane	384-077
Deaver Brown and Cross River, Inc.	394-042
Internet Securities, Inc.	899-149
Hewlett Packard	N1-698-052
Jim Sharpe (A, B, C)	N9-697-078, 697-079, 698-096
Midnight Networks	697-019
Jim Southern	387-009
Donna Brookout-Coe	SB-152
Nantucket Nectars	898-171
Cambridge Technology Partners	496-005
NetFlix.com	201-037; Rev. 10/17/06

READINGS

Note on Attracting Stakeholders	389-139
Tax Aspects of Acquiring a Business	388-081; Rev. 1/89
The Heart of Entrepreneurship; Stevens et al	HBR reprint 85216
Bootstrap Finance: The Art of Start-ups; Bhide	HBR reprint 92601
Selling as a Systematic Process	395-091
Cash Management Practices in Small Companies	699-047

Borden, Karl, "Managing Collections Without Giving Away the Store"; Small Business Forum, Fall 1991.
Borden, Karl, "Managing Inventory", Ibid, Winter 1991-92.
Borden, Karl, "Managing Accounts Payable", Ibid, Spring 1992.
Bordwin, Milton, "Firing 101; Before, During and After", Ibid, Winter 1994-95.
Stover, Catherine, "I Know I Should Fire Some of My Staff', Ibid, Winter 1994-95.
Thompson, Sara Murray, "I Don't Have Enough Good Employees. But Where Can I Find Them?", Ibid, Fall 1996.

Valuation Techniques	384-185
Creativity & Innovation in Organizations	396-239
Managing for Creativity	396-271
How to Kill Creativity	reprint 3499

NOTE:
All case and reading materials designated with a number are available on-line from HBS Publishing under course Reference I.D:

http://cb.hbsp.harvard.edu/cb/access/9552563

The other reprints are in bookstore.

LIBRARY RESERVE

Mornell, Pierre. Hiring Smart, Ten Speed Press, Berkeley, CA. 1998.
Timmons, Jeffry. New Venture Creation, Irwin/McGraw-Hill, NY, NY 1999

Tales From Successful Entrepreneurs	396-050 or 672-

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COURSE OUTLINE-FALL TERM 2012

DATE	CASE--READINGS	TOPIC
Sep 4	Course Introduction	
Sep 11	R&R Ch 1& 3; Timmons, Jeffry A., New Venture Creation, Irwin McGraw Hill, Boston, 1999. (Library Reserve)	Assess Opportunity
Sep 18	Rosh Hashanah - No Class	
Sep 25	Ice Delights Tales-Howard Schultz; Starbucks " -Jim Koch; Boston Beer Co. The Heart of Entrepreneurship Bootstrap Finance: The Art of Start-ups	" "
Oct 2	Steve Belkin Jim Southern Tax Aspects of Acquiring a Business Tales-readings on acquisitions	Resources LBO Strategy & Process
Oct 9	BRANDEIS Monday - No Class	
Oct 16	Allen Lane Tales-Richard Branson; Virgin Atlantic	LBO Strategy & Process
Oct 23	Deaver Brown & Cross River Selling as a Systematic Process	Selling
Oct 30	Internet Securities, Inc. Note on Attracting Stakeholders Tales-Steve Case; AOL	Investors

Mid-Term Exam Distributed- Due Fri, Nov 2nd before 12 (Noon)

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Nov 6	**Hewlett Packard** **Ch 8, Timmons, ibid.**	**Developing Culture**
Nov 13	**Jim Sharpe (A, B & C)** **Mornell, Pierre. <u>Hiring Smart,</u> Ch 1, 2, 3.**	**Operating**
Nov 20	**Netflix.com, Inc.** **Cash Management Practices in Small Companies** **Borden, Karl, "Managing Collections", "Managing Accounts Payable," "Managing Inventory".**	**Cash Flow**
Nov 27	**Donna Bookout-Coe** **Stover, Catherine, "I know I Should Fire Some of My Staff."** **Borden, Milton, "Firing 101: Before, During and After."** **Mornell. *Ibid.* Ch 4,5, to P. 190**	**Human Resources**

<u>Final Exam Distributed - Due Tuesday Dec 4th at 3:10 PM!!</u>

Dec 4	**Cambridge Technology Partners** **Creativity & Innovation in Organizations** **Managing for Creativity** **How to Kill Creativity**	**Creativity**
Dec 11	**Nantucket Nectars** **Valuing Privately Owned Companies** **Summary**	**Harvesting**