

**PENN STATE GREAT VALLEY  
MASTER OF BUSINESS ADMINISTRATION**

**BUSAD 511.301 – New Ventures I**

|   |  |
|---|--|
| Instructor: <b>Chuck Thomas</b>                 | Fall II, 2005: <b>10/25 – 12/13/05</b>       |
| Telephone: <b>610.535.4364</b>                  | Class Hours: <b>6:00 – 9:00 PM</b>           |
| Fax: <b>610.535.4418</b>                        | Days & Times: <b>Tue/Thu; 6:00-9:00 PM</b>   |
| E-mail: <b>cjt12@psu.edu</b>                    | Office Hours: <b>Tue/Thu; 5:15 - 6:00 PM</b> |
| Management Division Office: <b>610-648-3229</b> | Room: TBD                                    |

**Course Overview/Description:**

BUSAD 511 is the first course in the *New Ventures and Entrepreneurial Studies (NVES) Program*. It will serve as an introduction to the issues involved in developing new ventures either independently (entrepreneurship), or within an existing business organization (corporate entrepreneurship or intrapreneurship). While this survey course cannot make you an "entrepreneur" or an "intrapreneur," it will give you tools and insights to improve your chance of success should you choose to launch a new venture.

You will participate on a class team, which will be formed early in the course. While individual contribution is important and will be measured and graded, team participation and production is, in this class as in any entrepreneurial effort, paramount to success. Much of your individual success will be based on the success of your team. It behooves you to learn to work together effectively early in the course, and to coordinate and interact frequently. Individual contributions are significant, but cannot overcome a poor team effort.

Some of you are taking this course as an elective in either the General Business or Biotech/Healthcare Industry or MIS programs, and every effort will be made to make this course useful to you. However, since this course is part of the *NVES Program* there are certain topics we will **NOT** cover in depth. In-depth legal, financial and operational issues are covered in *New Ventures II (BUSAD 522)*, and writing your own business plan is the goal of the *NVES capstone course (BUSAD 581)*. While we will touch on these topics in this class, we may not cover them in great detail.

Guest speakers are scheduled throughout the term. They will not be teaching class materials; rather they will share their real-world experiences with us. We will then discuss how their experiences and advice are or are not consistent with what we have been discussing in class. Please respect our guests' time by making every effort to arrive to class promptly.

**Prerequisite(s):**

MGMT 501 + 3 graduate credits in Business

**Learning Outcomes:**

After the completion of this course, students will:

1. recognize entrepreneurial behavior in both nascent and existing firms;
2. be familiar with new venture terms and concepts;
3. know how to generate and analyze new venture ideas;
4. understand the new venture process for both independent and corporate ventures;

5. have experience in building and working in teams to achieve common goals;
6. have improved skills needed during for new ventures, including presentation, negotiation, interviewing, and self-awareness skills.

**Measurement of Learning Outcomes:**

(a.k.a., Assignments & Grading)

|  | <b>Weight</b> |
|--|---------------|
| <b>TEAM</b>  |               |
| Written strategic plan                                       | 25%           |
| Strategic plan pitch (oral presentation)                     | 10%           |
| <b>INDIVIDUAL</b>  |               |
| Individual contributions to the team                         | 10%           |
| Class participation - in-class &/or via ANGEL                | 20%           |
| Entrepreneur or intrapreneur interview ANALYSIS (written)    | 30%           |
| Entrepreneur or intrapreneur interview informal presentation | 5%            |
| <b>TOTAL</b>   | <b>100%</b>   |

We will use Penn State’s grading system as outlined in the Graduate Degree Program Bulletin (page 49): A (4.00), A- (3.67), B+ (3.33), B (3.00), B- (2.67), C+ (2.33), C (2.00).

**Course Requirements:**

***ANGEL***

This course uses ANGEL as its “infrastructure.” All assignments, syllabus revisions, PowerPoint slides, additional readings (via electronic reserves), etc. will be posted on ANGEL, PSGV’s course management system. All students are required to use this versatile tool to keep in touch with classmates and to keep up-to-date with course materials.

***Written strategic plan (Team)***

***The learning objective for this assignment is to generate and evaluate a new venture idea in a team setting.*** Each team will research and write a strategic plan, which is a high-level strategy for a new venture. Entrepreneurs and business managers are often so preoccupied with immediate issues that they lose sight of their ultimate objectives. That's why a business review or preparation of a strategic plan is a virtual necessity. This may not be a recipe for success, but without it a business is much more likely to fail. A strategic plan should not be confused with a business plan. The former is likely to be a (very) short document whereas a business plan is usually a much more substantial and detailed document. A strategic plan can provide the foundation and framework for a business plan. More details regarding the strategic plan will be posted in ANGEL.

Each team will write this strategic plan for a venture of its choice. Some class time will be devoted to this project, but students may have to meet during non-class time to complete the assignment. The written strategic plan will be due on October 19<sup>th</sup> (i.e., Tuesday in the last week of class). Students will be evaluated on how well they analyze the idea and how well they justify their conclusions. I will use the grading scale listed above.

### ***Strategic plan pitch (Team)***

***The learning objective for this assignment is to practice persuasive formal oral presentations in a team setting.*** During the last class, each team will pitch their strategic plan to an imagined audience of their choice, such as a potential partner, company president, financial backer, customer, supplier, or employee. This oral presentation will be graded for both its content and its persuasiveness, using the above grading scale. This presentation will be strictly held to fifteen minutes plus 5 minutes for questions.

### ***Individual contributions to the team (Individual)***

You will confidentially assess your own and your teammates' individual contributions to your team's success. The teammate rating form is posted in ANGEL in the Administrative Items folder under the lessons tab. You should take this assessment very seriously; it reflects your judgment and your ability to accurately measure other peoples' performance (a critical new ventures skill).

### ***Class participation (Individual)***

***The goal of class discussions is for you to demonstrate that you recognize, understand and can apply new ventures terms and concepts.*** It is also an opportunity to practice "thinking on your feet" and conducting constructive disagreements and discussions. I will grade your participation immediately after each class, using Penn State's grading system listed above. To achieve a high score you must consistently exhibit all the characteristics listed below.

As a contributing member of this class, you are expected to participate in class discussions and exercises, both for your own benefit and for the benefit of your fellow classmates. Full participation includes, but is not limited to: (1) attending class; (2) completing reading assignments prior to class; (3) active listening; (4) volunteering pertinent comments and questions; (5) raising ideas, insights and alternative perspectives; (6) respecting one another's viewpoints; and (7) constructively contributing to class activities. All students must display courtesy and respect to their fellow classmates.

You are encouraged to communicate with me and with other students, face-face and through email. You will spend considerable time and effort outside of the classroom working with your project team. Your contributions to the team are an important part of this class.

For those of you who will miss class due to travel or illness, and for those of you find it difficult to speak extemporaneously, partial class participation credit will also be given for written contributions. Such contributions include (1) posting a thoughtful discussion question related to that evening's readings; these questions should have both "pro" and "con" perspectives and you should briefly outline answers to both sides, (2) applying the concepts from the evening's readings to a "real-world" situation, (3) posting an article related to the day's topic with a brief summary of how the article is pertinent. These contributions should be about 1-2 page long, and should be placed in the appropriate ANGEL drop-box.

### ***Entrepreneur or Intrapreneur interview – written analysis (Individual)***

There are *several goals* for this assignment. The first is ***to broaden your exposure to people who are engaged in new venture activities***, as well as the challenges and rewards they encounter. It is also ***an opportunity to demonstrate that you understand and can apply the concepts we are discussing in class***. Finally, you may also ***gain an informal mentor for your future career development***.

Each student will find and interview either an entrepreneur or an intrapreneur. To get the most out of this assignment, I suggest you pick someone who has done something you admire and hope to emulate. Suggested interview questions will be listed on ANGEL, but feel free to adapt these questions to fit your own situation or that of your interviewee.

The written *analysis* should include both a brief summary of the interview, and your analysis of the person's comments. The goal is for you to generate a model of the new venture process based on your respondent's experience. This paper should be fairly short, about 5-7 double-spaced pages, and will be due Tuesday, 10/5. This paper will be evaluated on form—layout, spelling, grammar, organization, citations, bibliography, etc. and content—use of new ventures terms, concepts, etc. I will use the grading scale described above.

***Entrepreneur or Intrapreneur interview – oral presentation (Individual)***

*The objective of this assignment is to share the insights you gained from the interview with your classmates and to practice your informal presentation skills.* Since this is an informal presentation, please do NOT use PowerPoint slides—you may, however, use props or other materials if appropriate. Each student will sign up for a time slot to present a summary of his or her interview to the class. Each informal presentation should run for about 5 minutes and will be graded using the above listed scale.

**Required Materials/Texts:**

The textbooks for this course are:

- Cagan, J., Vogel, C. *Creating Breakthrough Products*. 2002. Prentice Hall/Financial Times. ISBN: 0-13-969694-6.
- McGrath, Ruth Gunther, McMillian, Ian, *The Entrepreneurial Mindset*, 2000, Harvard Business School Press, ISBN: 0-87584-834-6.

Readings found on ANGEL or the Internet:

- Can You Patent Your Business Model?, Dickinson, T. Harvard Business Review, 2000. Reprint F000401.
- Needed: A New System of Intellectual Property Rights, Thurlow, L., Harvard Business Review, 1997. Reprint 97510.
- From initial idea to unique advantage, Acad. Mgmt Exec. Feb 2001
- Between 'paralysis by analysis' & 'extinction by instinct' MIT Sloan Mgt Rev Spring 1995.
- [www.startupjournal.com/](http://www.startupjournal.com/) - The Wall Street Journal's Center for Entrepreneurs.

Optional textbook (not required; appropriate chapters will be posted to ANGEL):

- *New Venture Creation - Entrepreneurship for the 21st Century* - Fifth Edition, Timmons, J.A., McGraw-Hill International Editions, Singapore.

**Course Topics:**

| <b>Date</b>  |                                    | <b>Class Topics</b>  |
|--------------|------------------------------------|--|
| 10/25<br>Tue | Intro<br>Topic<br>Reading          | Who are we and what are our goals? What is Entrepreneurship? Who does new ventures?<br>What is Intrapreneurship?<br>McGrath Ch 1 & 2 |
| 10/27<br>Thu | Topic<br>Topic<br>Reading<br>Teams | Startup strategies<br>Strategic Plan assignment & team participation<br>McGrath Ch 3 & 4<br>Form teams and begin team coordination   |

|                             |  |  |
|-----------------------------|--|--|
| 11/1<br>Tue                 | Topic<br>Reading<br>Topic<br>Reading           | Feasibility Studies, Proposals, Strategic Plans, & Business Plans<br>"Strategic Planning Intro" in ANGEL Lessons<br>Building Teams<br>Cagan Ch 6   |
| 11/3<br>Thu                 | Topic<br>Reading<br>Topic<br>Due<br>Case       | Creativity & innovation; What drives innovation?<br>Cagan Ch 1 & 2<br>Innovation Exercises<br>Team Work Plan<br>Cagan Ch 8, pages 248-251 (iMAC)   |
| 11/8<br>Tue                 | Topic<br>Reading<br>Case                       | How do you find an opportunity?<br>Cagan Ch 3 & 4<br>Cagan Ch 8, pages 238-242 (UPS)   |
| 11/10<br>Thu<br><br>6:00 PM | Topic<br>Reading<br>Due<br>Guest               | Where do you find resources?<br>From initial idea to unique advantage Acad. Mgmt Exec. Feb 2001 *<br>Review web resources and report on findings<br>Don Surr, Chester County SCORE   |
| 11/15<br>Tue                | Topic<br>Reading<br>Reading<br>Reading<br>Case | Analysis or instinct? Brand strategy.<br>Cagan Ch 4<br>McGrath Ch 7 & 8<br>Between 'paralysis by analysis' & 'extinction by instinct' MIT Sloan Mgt Rev Spring 1995*<br>Mickey Finn's (see Lessons in ANGEL)   |
| 11/17<br>Thu<br><br>6:00 PM | Topic<br>Reading<br>Guest                      | User-centered design<br>Cagan Ch 5 & 6<br>Guest Speaker: Centering on Talent; Case Study   |
| 11/22<br>Tue                | Topic<br>Reading<br>Due<br>Topic               | Market analysis & environmental analysis<br>McGrath Ch 6, 9 & 11<br>Interview Report<br>Interview Presentations, Part 1  |
| 11/24<br>Thu                | Note   | Thanksgiving Holiday – No Class<br>Wednesday, 11/23 – Sunday, 11/27: No PSU/GV Classes are scheduled   |
| 11/27<br>Tue<br><br>6:00 PM | Topic<br>Reading<br>Topic<br>Guest             | Financial Analysis<br>As posted on Angel<br>Interview Presentations, Part 2<br>Bill Creamer, President, Business Transformation Services: Operations Management  |
| 12/1<br>Thu<br><br>6:00 PM  | Topic<br>Reading<br>Guest<br>Prep              | Organization Analysis<br>McGrath Ch 12<br>Bud Batcher, Kutztown SBDC & Chester County Economic Development Council<br>Preparation for feasibility paper & presentations  |
| 12/6<br>Tue                 | Topic<br>Reading<br>Reading<br>Topic           | Intellectual property & technology issues<br>Can You Patent Your Business Model?, Dickinson, T. Harvard Business Review, 2000. Reprint F000401*<br><u>Needed: A New System of Intellectual Property Rights</u> , Thurlow, L., Harvard Business Review, 1997. Reprint 97510*<br>Managing rapid growth; troubled companies; harvesting and beyond. |
| 12/8<br>Thu                 | Reading<br>Topic                               | "Entrepreneurship" readings from Timmons posted to ANGEL.<br>Strategic Plan Presentations, part 1  |
| 12/13<br>Tue                | Topic<br>Note                                  | Strategic Plan Presentations, part 2<br>Last Class   |

### **Academic Integrity:**

*“Academic integrity is the pursuit of scholarly activity free from fraud and deception and is an educational objective of this institution. Academic dishonesty includes, but is not limited to, cheating, plagiarizing, fabrication of information or citations, facilitating acts of academic dishonesty by others, having unauthorized possession of examinations, submitting work of another person or work previously used without informing the instructor, or tampering with the academic work of other students. At the beginning of each course it is the responsibility of the instructor to provide a statement clarifying the application of the academic integrity to that course.” (1997-98 Polices and Rules, A handbook for students, p. 44)*

**You must cite the source(s) of ideas presented in your work, even if you convey the idea in your own words (e.g., paraphrase or summarize). You must also cite the source(s) of data or statistics in your work, even if it is “common knowledge” or available in multiple locations (cite at least one).** Direct quotes should be surrounded by quotation marks and the citation should include the page number where the quote was found. Citations for information taken from websites should include the entire URL (i.e., the complete web address) and the date accessed.

The penalties for academic dishonesty include, but are not limited to, a failing grade on the assignment, an official disciplinary warning, a failing grade for the course, or a temporary or permanent suspension from the university, depending on the severity of the offense (adapted from Office of Judicial Affairs brochure, "Procedures for the Discipline System," U.Ed. STA 01-088).

### **Disability Statement:**

*The Pennsylvania State University encourages qualified persons with disabilities to participate in its programs and activities. If you anticipate needing any type of accommodation or have questions about the physical access provided, please contact Kathy Mingioni at (610) 648-3315 in advance of your participation or visit.*

### **Emergency Closings:**

Listen to KYW 1060 AM radio for PSUGV snow code 2581, or call the PSUGV Emergency Closing Hotline (610) 648-3399 for a message regarding campus closings. We will not have class if the campus/building is closed. In the case of closings, class is usually rescheduled for later in the term.

### **Emergency Evacuation Exercises or Actual Emergency Events:**

Periodic fire/evacuation exercises are conducted in all occupied PSU Great Valley buildings. Every PSU Great Valley faculty, staff, and student is expected to exit the building and remain outside until the drill or actual event is completed. Drills are a safe opportunity to test the building emergency plan, insure that the fire alarm is working properly, and allows every employee a chance to experience the procedures.

### **Guidelines in the Event of a Drill or Emergency:**

- Please familiarize yourself with the emergency evacuation plan posted in each classroom.

- Do not use elevators. Use stairs.
- Fire doors close but do not lock or trap a person in an area.
- Should evacuation be necessary, go to the nearest exit or stairway and proceed to a pre-designated evacuation meeting area (150 feet away from building) outside the building. Stay with your instructor and class.
- Please do not leave the meeting area, return to your classroom, or go to your vehicle unless instructed to do so.

**Attendance:**

Class attendance is required. If a situation arises that would cause you to miss class, please notify the professor in advance. It is the student's responsibility to make arrangements regarding any missed materials or assignments.