

The University of Iowa
John Pappajohn Entrepreneurial Center
Henry B. Tippie College of Business
Fall 2007

COURSE NUMBER: 06T:120:SCC
06T:120:001
06T:120:002

COURSE TITLE: Entrepreneurship and New Business Formation

PRE/CO-REQUISITES: 06A:001 or 06A:020 or 06T:113 or an approved equivalent;
required course may be taken concurrently with this course

CLASS MEETS: 06T:120:SCC 3:55P - 5:15P MW C125 PBB
06T:120:001 9:30A - 10:45A TTh C107 PBB
06T:120:002 10:55A - 12:10P TTh W107 PBB

INSTRUCTOR: Joseph Sulentic
Lecturer
John Pappajohn Entrepreneurial Center
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OFFICE HOURS: Tuesday 2:30-3:30 p.m.
Wednesday 1:30-2:30 p.m.
Thursday 2:00-3:00 p.m.

Please be sure to check ICON regarding any cancellations of office hours due to work-related travel requirements throughout the semester.

COURSE TEXT: “Entrepreneurship,” by William Bygrave and Andrew Zacharakis.
The book is available from Iowa Book.

PARTICIPATION NOTICE: *Students taking collaborative courses that require the use of a course management system like ICON (powered by Desire2Learn), WebCT, or Blackboard may be asked to share their name and e-mail address with fellow classmates in order to facilitate electronic interaction. The University will manage the exchange of e-mail address information for such courses even for a student who has placed a block on directory information. A student who declines to authorize the release of information necessary to facilitate electronic interaction may not be eligible to complete the course. Before enrolling in a course, students are*

encouraged to determine whether the course utilizes a course management system.

E-mailing or other correspondence with the instructor:

You **MUST** include your section number when sending any type of written correspondence or leaving a message on my office. **INCLUDE YOUR SECTION NUMBER.**

COURSE DESCRIPTION AND OBJECTIVES:

It has been said that the difference between managers and entrepreneurs is that managers are “resource driven” while entrepreneurs are “opportunity driven.” Within the broadest definition, entrepreneurs are found throughout the world; since any organization, if it is to survive and prosper, must have its share of entrepreneurial spirit. In this class, the focus will be on the development of new for-profit ventures. However, the concepts and skills developed in the course are applicable to traditional corporate ventures and not-for-profit organizations.

This course covers the entrepreneurial process from conception to birth of a new venture. It concentrates on the attributes of successful entrepreneurs, opportunity recognition, venture screening, identification of resources, and business planning to learn how to turn opportunities into a viable business. Through lectures, classroom discussions, guest speaker presentations, readings, and evaluation of new venture opportunities, students will experience what entrepreneurs undergo throughout the entrepreneurial process of launching a new venture.

The primary course objectives are:

1. To develop a comprehensive definition of entrepreneurship and recognize its importance to long-run economic growth.
2. To identify and understand the most commonly cited characteristics found in successful entrepreneurs.
3. To explore the role of entrepreneurship, innovation and creativity in the formation of new ventures and growth of existing organizations.
4. To study the models and criteria used by entrepreneurs, angel investors, and venture capitalists in evaluating entrepreneurial opportunities.
5. To learn the components of feasibility and business plans and understand the importance and benefits of the feasibility and business planning processes.

ASSIGNMENTS:

I. Entrepreneurship Dream paper – Individual – Due 9/6/07

This paper builds the framework for your personal dream. If you could organize your life and have it go exactly according to plan, what would it look like?

Four page paper, double spaced. The paper is divided into two parts:

A. Situation you want to be living in (feel free to include any/all/none of the list below)

- Career or job
- Office
- Studio
- House
- Car
- Spouse

B. Personal characteristics

- Attributes you need to achieve your dream
- The type of person you want to become
- How you will feel when you are that person

Research has shown that committing your dream to paper increases its chances of success by a hundred fold. We become what we think about.

This paper will be graded on the detail included in the paper, not on whether you want to become a CEO.

The synthesis part of the paper is your reflections or realizations about what is needed for you to move forward on your dream.

- Situation (40%)
- Attributes (40%)
- Synthesis (20%)

The written assignments must be submitted in the following format:

- The paper must include a cover page with the following information: name of students, name and course number, assignment title, and date of submission.
- The paper should be stapled in the upper left-hand corner; do NOT submit the paper in a three-ring binder or any other type of binder or folder.
- The paper should be written in no smaller than 12 font text, with one inch margins for the top, bottom, left and right, and be DOUBLE spaced.
- The paper should have page numbers on each sheet.

II. Entrepreneurial Venture Paper – Due 02/15/08

Each student group will be required to summarize the entrepreneurial results of a recent (in the last five years) success of a new product launch. The product could be from a new entrepreneurial venture or an existing company. In order to avoid duplication, each student group must list his/her company and product on the course ICON site in order to eliminate duplication in the class. The paper may not exceed THREE PAGES, DOUBLE SPACED. Specific requirements and grading criteria is shown below:

- Overview of the company (20%)
- Detailed description of the product and service (20%)

- Student's thorough analysis of the product using the *Opportunity Checklist* shown on page 105 in your course text (60%)

The written assignments must be submitted in the following format:

- The paper must include a cover page with the following information: name of student, name and course number, assignment title, and date of submission.
- The paper should be stapled in the upper left-hand corner; do NOT submit the paper in a three-ring binder or any other type of binder or folder.
- The paper should be written in no smaller than 12 font text, with one inch margins for the top, bottom, left and right, and be single spaced.
- The paper should have page numbers on each sheet.

III. Feasibility Analysis Term Project – Due 04/30/08

Each student is required to complete a detailed feasibility analysis on a new product or service. ***The term project must be pre-approved by the instructor; the opportunity should be large enough to generate revenues in excess of \$3 million within a 3-5 year time period and serve a national market.***

Students must submit a feasibility paper proposal to the instructor by February 7th. The paper should address the following questions:

1. Is this a new product/service? Is it proprietary? Is it unique enough to get a significant head start on the competition?
2. Is there a large and growing market for the product/service?
3. Who is your customer? Why will they buy from you?
4. Does the product/service have the potential for high margins?

The final feasibility analysis should not exceed 15 pages, excluding the appendix. Specific requirements and evaluation criteria are provided below:

Executive Summary – 10%

Key components to include are:

- Description of the business opportunity – i.e. problem you are solving, unmet need, etc.
- Key unique/innovative features of the business opportunity
- Overview of the market potential
- Profit potential

Product Feasibility– 30%

Key components to include are:

- Detailed description of the proposed product or service
- Identification/discussion of the unique features and benefits of the proposed product or service—i.e. what is the perceived need
- Overview of intellectual property protection—i.e. is the new product or service based on proprietary knowledge
- Stage of development, time to market, and production strategies

Market Feasibility – 30%

Key components to include are:

- Industry overview—i.e. size, scope, and industry growth potential
- Customer identification—i.e. dominant characteristics such as age, income level, purchasing habits, etc., criteria for purchasing, and ease of finding and selling to customers
- Competitive analysis—i.e. size and number (current and future potential), strengths and weaknesses, and competitive advantages
- Distribution method—i.e. is there an established channel or will you need to create a new one
- Pricing—i.e. pricing strategy you will employ

Financial Feasibility – 20%

Key components to include are:

- Start-up costs
- Revenue and profitability projections (three years annualized)
- Complete list of assumptions supporting projections
- Break-even analysis
- Availability and mix of capital to launch the venture

Decision on Feasibility – 10%

Key components to include are:

- Overall statement of feasibility
 - a) If feasible, state why (be specific) and discuss the next steps would be to move towards launch
 - b) If not feasible, why not—be specific

Final Paper Requirements

The final paper must be submitted in the following format:

- The paper must include a cover page with the following information: name of students, name and course number, assignment title, and date of submission.
- The paper should be submitted in a 3 ring binder.
- The paper should be written in no smaller than 12 font text, with one inch margins for the top, bottom, left and right, and be double spaced.
- The paper should have a table of contents and have page numbers on each sheet.

It is possible that the term project could turn into an actual new business venture. However, even if the paper never results in a new company, the learning that will take place will be beneficial if the student decides to start his/her own firm one day or works with a start-up or growing entrepreneurial firm.

IV. Interview with an Entrepreneur – Due 04/01/08

Each student will be required to conduct an interview with an entrepreneur and submit a one-page summary paper to the instructor. Specific requirements for the summary paper are provided below:

- Brief overview of the company—i.e. products and/or services offered, time in business, size, and scope of the business
- Background on the entrepreneur and reason why they started the business
- Summary of major challenges faced, solutions employed and goals of the entrepreneur
- What you learned from the entrepreneur
- Linkage between what has been discussed in class and one aspect of the entrepreneur's story.

Final Paper Requirements

The final paper must be submitted in the following format:

- The paper must include a cover page with the following information: name of student, name and course number, assignment title, and date of submission.
- The paper should be stapled in the upper left-hand corner; do NOT submit the paper in a three-ring binder or any other type of binder or folder.
- The paper should be written in no smaller than 12 font text, with one inch margins for the top, bottom, left and right, and be single spaced.

V. Examinations

Students will be required to complete two exams during the course. The exams will be based on the readings, lectures, guest speakers, and class discussions. The exams are scheduled for the following dates:

- Midterm Exam: October 9, 2007
- Final Exam: Finals Week - TBD

GRADING:

Grading will be curved and based on the following percentages: 25% A, 35% B, 35% C, and 5% D/F. This class serves as a real world introduction to entrepreneurship. The marketplace is a brutal taskmaster, not everybody wins.

The relative weighting for each assignment is provided below.

Entrepreneurial Vision Paper	5.0%
Interview with an Entrepreneur Paper	4.0%
Student Team Entrepreneurial Venture Paper	7.0%
Quizzes	5.0%
Presentations	4.0%
Student Team Feasibility Plan Term Project	20.0%
Midterm Exam	25.0%
Final Exam	25.0%
Attendance/Participation	<u>5.0%</u>
Total	100.0%

CLASS PARTICIPATION/ATTENDANCE:

I have elevated expectations of my students. You are expected to show up to class everyday, on time. Having said that, I understand there are legitimate reasons to miss class during the semester. Fortunately, I also know that this class is not the most important thing in your life. Your grade is a mirror on your effort and your results. If you start making excuses, you screwed up somewhere. You didn't get enough sleep, you procrastinated starting on your project, you got sick. I am very accommodating for students who show initiative, courage, and drive. I am part of a great entrepreneurship program. Our goal at The University of Iowa is to be the best, period.

This is a highly interactive course, so students are expected to be prepared to discuss the assigned cases and course material as part of the regular course sessions. In some instances, students will be required to submit a brief written summary of a case at the end of the class discussion.

Due to the nature of the class, attendance is mandatory. A student who cannot attend a class should contact the instructor before the beginning of the session that will be missed. An excused absence will be granted for a myriad of reasons, some of which are legitimate illness, mandatory religious obligations, authorized university-based activities including participation on athletic teams, the marching and pep bands, debate teams, and other university groups, university field trips, service with the military or National Guard, and jury duty. For more details on the college absence policy, please visit <http://www.biz.uiowa.edu/upo/advising/Attendance.html>

Students should turn off all cell phones and pagers prior to the beginning of class.

EXTRA CREDIT:

- Students may earn two percentage points extra credit by attending outside presentations sponsored by JPEC this semester and submitting a two-page paper (double spaced) within one week of the event(s). The paper should include a discussion of the key points of the lecture and note the impact the presentation had on the student's entrepreneurial endeavors. Students must also attach the event program to the paper.

ETHICS AND TIMELINESS:

Because I regard this class as I would any job responsibility, I will hold you to strict standards of timeliness and ethics. In this regard, late work will be penalized. Any assignment that is not turned into the instructor by the date it is due will be considered late and will receive an automatic 10% grade reduction. Each following day is another 10% off.

It is my sincere hope that no student in this class does work which is not his or her own. However, it seems prudent to clarify in advance the policy on cheating. If I determine that any assignment was not written solely by the student whose identification number appears on the project, the student will receive a zero (0) for the project and may receive an "F" for the class.

All incidents of cheating will be reported to the appropriate Deans (e.g., the Associate Dean for the Undergraduate Program in the College of Business or Liberal Arts and Sciences) and the student may be placed on disciplinary probation for the remainder of his or her undergraduate work at the University of Iowa.

In general, the decision of the Professor may be appealed to the College of Business' Judicial Board, Associate Dean for the Undergraduate Program, the Collegiate Dean, the Dean of Students, and so on in accordance with University Policy. The Honor Code for the Tippie College of Business will determine the appropriate appeal process. The Honor Code may be found at <http://www.biz.uiowa.edu/upo/advising/honorcode.html>

This course is given by the Tippie College of Business. This means that class policies on matters such as requirements, grading, and sanctions for academic dishonesty are governed by the Tippie College of Business. Students wishing to add or drop this course after the official deadline must receive the approval of the Dean of the Tippie College of Business. Details of the University policy of cross enrollments may be found at: <http://www.uiowa.edu/~provost/deos/crossenroll.doc>.

NEED ACCOMMODATION:

If you have a disability that may require some modification of seating, testing, or any other class requirement, please let me know as soon as possible so that appropriate arrangements can be made. Similarly if you have any emergency medical information about which I should know, or if you need special arrangements in the event the building must be evacuated, please let me know. Please see me after class hours or during my scheduled office hours or schedule an appointment. I would also remind you that the Office of Student Disability Services is available to assist you.

STATEMENT ON SEXUAL HARRASSMENT:

The Tippie College of Business and the University of Iowa are committed to providing students with an environment free from sexual harassment. If you feel that you are being or have been harassed or you are not sure what constitutes sexual harassment, we encourage you to visit the University [website](http://www.sexualharassment.uiowa.edu/index.php), <http://www.sexualharassment.uiowa.edu/index.php>, and to seek assistance from department chairs, the Dean's Office, the University Ombuds Office, or the Office of Equal Opportunity and Diversity.

CLASS SCHEDULE (subject to change during the semester):

I can assure you that the class schedule will deviate over the course of the semester. Guest speakers are subject to varying schedules or I may determine that the class as a whole needs more focus on a given area. You should also be prepared for a quiz on any of the chapters that are required reading for that week's lectures.

All assignments due the second class of the week

Week 1 1.21	Course Introduction Overview of Entrepreneurship Reading Assignment – Chapters 1 and 2
Week 2 1.28	Reading Assignment – Chapter 6 Entrepreneurial Mindset ENTREPRENEURIAL DREAM PAPER
Week 3 2.4	Innovation and Creativity Chapter 3 Teams
Week 4 2.11	Chapter 4 Opportunity Recognition
Week 5 2.18	Chapter 5 Entrepreneurial Marketing
Week 6 2.25	ENTREPRENEURIAL VENTURE PAPER Student presentations
Week 7 3.3	Breather
Week 8 3.10	MIDTERM on Monday/Tuesday Guest speaker
Week 9 3.17	SPRING BREAK
Week 10 3.24	Chapter 7 Business Planning

Week 11 3.31	Chapter 8, Financial Feasibility ENTREPRENEURIAL INTERVIEW
Week 12 4.7	Chapters 9, 10, 11 Sources of Financing
Week 13 4.14	Focus on term paper
Week 14 4.21	FEASIBILITY ANALYSIS TERM PAPER
Week 15 4.28	STUDENT PRESENTATIONS
Week 16 5.3	STUDENT PRESENTATIONS
Week 17	FINALS WEEK Date and Time TBA