

ECON 327H: Applied Entrepreneurship

Spring 2018: Burch Field Research Seminar in Silicon Valley

Fridays: January 26 through April 20

Location: Menlo College - Florence Moore Building #321 and company site visits

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ECON 327H Applied Entrepreneurship is the second course in the Minor intended to provide a broad practical perspective on entrepreneurial ventures and strengthen the skills necessary to evaluate businesses and execute on new opportunities.

ECON 325H explored the ideation process, customer development, strategy and entrepreneurial finance, with an emphasis on determining the viability of a value proposition and target customer segment. ECON 327H builds upon that foundation, engaging students in the strategies entrepreneurs use to identify compelling opportunities and to design and build new ventures. The pedagogy in this course incorporates company site visits, case studies and in-class discussions with guest faculty and case protagonists.

This course will immerse students in the career trajectories and lives of a diverse group of entrepreneurs so that students will have multiple opportunities to reflect on their interest in pursuing an entrepreneurial career. Our case studies and group discussions before and after company site visits will focus on the entrepreneur who must implement a set of complex decisions while confronting great uncertainty. We will integrate individual preparation and team projects with lessons and observations from guest speakers at companies across the San Francisco bay area to apply the concepts we are exploring to real-life situations.

Prerequisites:

Students must be admitted to the Minor with the permission of the Director of the Shuford Program in Entrepreneurship and be accepted in the Burch Field Research Seminar in Silicon Valley.

Course Overview:

This course focuses on the entrepreneur as an effective leader. The challenges facing entrepreneurs are multi-faceted and require an integrated perspective. The majority of out-of-class work will be thoughtful preparation for our company visits and consideration of assigned case studies. Please come to class each Friday prepared to think and act like the entrepreneur we are visiting or the protagonist in the case. Your goal for class participation should be to evaluate each situation honestly and accurately and to advocate for the optimal plan of action. In addition, you will be asked to participate in a set of negotiations, including the structure and terms of a founder's equity agreement, a venture capital investment and a strategic partnership.

Course Objectives. The course has three primary objectives:

1. To gain a realistic understanding of what is required to succeed in an entrepreneurial venture;
2. To evaluate opportunities and to determine the optimal path to pursue a new venture while managing risk and resources efficiently; and
3. To strengthen the practical skills that are critical to entrepreneurial success.

For example, we will examine:

Sources of capital. Entrepreneurs require external capital to pursue their ventures. It is important to understand how to access all potential sources of funding: friends and family, angel investors, venture capital, commercial lending institutions, venture debt and investment banks. We will explore the expectations of these investor groups and the benefits and drawbacks of each.

Deal structures. When funding startups, investors and entrepreneurs negotiate arrangements to allocate ownership, governance rights and economic incentives. Entrepreneurs tend to be overly confident in their venture's prospects and are often willing to cede downside protection to investors in exchange for a greater share of value in an upside scenario. Investors generally assess success odds more neutrally using portfolio logic and expect a certain percentage of investments to fail.

Lean experimentation. Lean experimentation is a necessary tool for entrepreneurs who must reduce risk and resolve uncertainty while managing within resource constraints.

Negotiation. Entrepreneurs negotiate constantly with customers, partners, investors and employees. In early-stage startups, bargaining dynamics are often asymmetric, with the other side having more power. You will encounter these situations throughout your professional life. This course will strengthen your ability to assess your bargaining position and formulate negotiating strategies for creating and claiming value.

Grading and Evaluation

Your grade is heavily dependent on your active engagement in the course and your participation in moderated visits to companies facilitated by your instructional team. You will be assigned case studies and preparation for each Friday session. Please come prepared to present your perspective to the class.

The three components to your grade in 327H are course engagement (50%), projects assigned throughout the semester (25%), and completion of a final exam (25%). The final exam will be take home. You will download it electronically and will have two days to complete the exam. Class assignments and special projects will be assigned on Fridays, with completion expected by the following Friday.

Your attendance is critical. Excused absences are only allowed for illness and significant events in the life of your immediate family. Unexcused absences will impact your participation grade.

Classes + Syllabus Changes

This is a highly interactive course with an extraordinary group of guest speakers which requires flexibility. We will confirm additional site visits and speakers throughout the semester and will change the syllabus accordingly. We will also update you on a weekly basis to confirm the following week's agenda and timeline. On Fridays, we generally meet at Menlo College between 9am – 9:30am for class discussion before visiting one or two bay area companies. We typically have lunch together and return to campus and/or complete our session around 2pm. When we visit companies in San Francisco, we typically return to campus between 5 – 6pm.

Electronic Devices

PCs and phones are distracting to the class. This is a discussion-focused course and device use in class inevitably causes lapses and disruptions in the flow of conversation. It is highly distracting to focus on teaching when students are focused on devices, and it is also very disrespectful to guest speakers. Please refrain from the use of electronics in class. If you repeatedly look at a screen, your grade will be impacted.

UNC Honor Code

It is expected that you will conduct yourself within the guidelines of the University honor system (<http://honor.unc.edu>). The course is largely based on team activities and assignments and collaboration among team members is required and expected. Any assignment labeled as an “individual” assignment will require you to submit work that is not done in collaboration with your team. All academic work should be done with the high levels of honesty and integrity that this University demands. If you have any questions about your responsibility or your instructor’s responsibility as a faculty member under the Honor Code, please see me.