

ECON 325

Introduction to Entrepreneurship

Monday, Wednesday & Friday: 9:05 am – 9:55 am

FedEx Global Center Room 1015

Nelson Mandela Auditorium

Fall 2015

Instructors

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Entrepreneurship is not a personality type. It is a mindset. It is the pursuit of opportunity in the face of risk. Peter Drucker said, “It is a practice.”

Entrepreneurship is doing.

The tools and methodologies of entrepreneurship can be taught, learned and practiced; they can be applied in organizations of all sizes, types and ages.

Goals

- Students should be able to identify, articulate, and support answers to four areas of the Business Model Canvas
 - Value Proposition
 - What is the problem being solved?
 - What is the value being delivered?
 - What product(s) or service(s) will you deliver to the customer?

- Customer Segment
 - Whose problem are you solving?
 - What are the characteristics and size of your customer segments?
- Cost Structure (at a high level)
 - What are the basic costs inherent in your model?
- Revenue Streams (at a high level)
 - How much are customers willing to pay?
 - How much revenue can you generate from each customer segment?
- Students should be able to identify a source of opportunity that could serve as the foundation for a new business (for profit, non-profit or hybrid)
- Students should understand and have applied the use of a minimally viable product (“MVP”) in the context of lean startup
- Students should understand how to form and appreciate the power of diverse teams (with diversity defined across multiple areas – race, gender, ethnicity, skills, etc.)
- Students should have an understanding of basic accounting & spreadsheet skills for entrepreneurs

Resources

You will need to register for the free Udacity online course: *How to Build a Startup*. The link is: <https://www.udacity.com/course/ep245>

You will receive via email a link (either from Connect Carolina course site email or Sakai) to an online coursepack from Harvard Business Publishing. It will contain several articles as well as access to *The Startup Game* simulation exercise that will be run in class in early October. The cost of the online resources will be less than a single textbook.

If you want to learn more about the business model canvas as well as ideation and design, we recommend (but do not require) purchasing *Business Model Generation*, by Osterwalder & Pigneur.

Other books we highly recommend:

The Lean Startup by Eric Ries.

Financial Intelligence for Entrepreneurs by Karen Berman and Joe Knight; which a very good resource on accounting for entrepreneurs

The Design of Everyday Things by Don Norman; a seminal work on design and the design thinking.

Syllabus Changes

This syllabus sets the schedule, but students must recognize that things can change rapidly in this type of environment. We will respond to changes as necessary, and ***we reserve the right to amend the syllabus and assignments as needed.*** We are also finalizing dates for guest speakers and will revise the syllabus as needed. Any changes will be made with advance notice to you.

Schedule

Class	Date	Topic	Activity & Assignment
INTRODUCTION			
1	19 AUG	Introduction to ECON 325	Marshmallow Challenge <u>Assignment:</u> Read “Why The Lean Start-Up Changes Everything,” by Steve Blank (online coursepack) DUE Aug. 21.
2	21 AUG	Lean Startup and the Business Model Canvas	<u>Assignment:</u> Read “The Discipline of Innovation,” by Peter F. Drucker (online coursepack) DUE August 24.
IDENTIFYING OPPORTUNITIES			
3	24 AUG	Identifying Opportunities	In your group, choose a company from our selected list of Fast Company’s most innovative companies. Identify the sources of opportunity for your company using Drucker’s “seven sources of innovation.” <u>Assignment:</u> After class, each student must <u>choose a new company</u> from the Fast Company list on your own and submit the two best sources of opportunity. DUE Aug 26

			Fast Company List: http://www.fastcompany.com/section/most-innovative-companies-2015
4	26 AUG	Reverse Pitch/Teaching Project Ideas	Food Topic Ideas - identifying possible customers. Assignment: Determine at least 3 possible types of customers with a specific problem by August 28.
CUSTOMERS AND CUSTOMER SEGMENTS			
5	28 AUG	Who is my customer?	Customer Archetype and Empathy Map Assignment: Empathy Map of one customer. DUE August 31 Assignment: Watch <u>How to Build a Startup Lesson 3: Customer Segments</u> . Be prepared to answer a few questions. DUE August 31
6	31 AUG	Identifying opportunities and problems.	Assignment: Create a "How Might we XYZ?" statement starter by September 2.
7	2 SEP	Ideation: Tools and Techniques for generating ideas	Brainstorm Assignment: Come up with top 5 ideas by September 4
IDEATION			
8	4 SEP	Brainstorming	
	7 SEP	NO CLASS: LABOR DAY	
9	9 SEP	Idea Refinement	Creating a Cover Story Assignment: Settle on a specific idea for your customer by September 11.

			Assignment: Watch <u>How to Build a Startup: Lesson 2 - Value Proposition</u> . DUE Sep 11
THE VALUE PROPOSITION			
10	11 SEP	Value Proposition	Value Proposition Mad Libs Assignment: Create Value proposition.
RESEARCH TOOLS AND FOR CUSTOMERS AND MARKETS			
11	14 SEP	Customer and Market Research Tools	Guest Lecture: Josiah Drewry, UNC Libraries Assignment: research case using the tools available va UNC Library online resources. DUE Sep 18.
12	16 SEP	Research	Work day: use databases and tools with help from UNC Libraries staff Assignment: read "Design Thinking," by Tim Brown (online coursepack) and Chapter 1 from "The Design of Everyday Things," by Don Norman (link will be made available on Sakai). DUE Sep 18
DESIGN FUNDAMENTALS and the MVP			
13	18 SEP	The Customer View Principles of Design	Guest Lecture: Dana McMahan, School of Media and Journalism
14	21 SEP	Design exercise	Reverse Engineering In class you will "reverse engineer" a common object to uncover the design elements that go into seemingly simple objects. You will submit (as a group) your thoughts and findings. DUE Sep 23.

15	23 SEP	Minimally Viable Products	<p>Creating an MVP</p> <p>Assignment: Create a rudimentary MVP by September 28.</p>
16	25 SEP	Minimally Viable Products	<p>Work on MVP</p> <p>Assignment:</p>
17	28 SEP	Guest Speaker	<p>Shruti Shah, Co-founder and COO, Move Loot</p> <p>Assignment: Read "What is Financial Intelligence," by Berman, Knight & Case (online coursepack) DUE Sep 30</p>
ENTREPRENEURIAL FINANCE			
18	30 SEP	Budgeting and Forecasting	<p>Guest Lecturer: Jan Davis, Entrepreneur in Residence</p> <p>Assignment: "Exercises to Build your Financial Intelligence," Harvard Case, in coursepack. DUE Oct 2 (individual assignment)</p>
19	2 OCT	Cost Structures and Revenue Streams	<p>Assignment: Put numbers together for a basic financial model by October 5.</p>
20	5 OCT	Financing the Early Stage Venture	<p>Guest Speaker: David Jones, Bull City Ventures</p>
21	7 OCT	Simulation: The Startup Game	<p>The Startup Game is a business simulation exercise. We will divide the class into two groups and run the simulation on Oct 7 (it is size limited). We will set groups, determine class locations and send the required link to the game the week prior to the simulation; you will pay via the Harvard Business Publishing website similar to the coursepack. The cost is \$15. We will give</p>

			<p>further instruction the week prior to the simulation, but in short: you will be assigned one of three roles: founder, funder or employee. The game is competitive and highly interactive. You will be responsible for knowing and then role-playing your assigned role in the game. We will run the simulation on October 7 and debrief October 9.</p>
22	9 OCT	The Startup Game, continued	Simulation / Debrief
PITCHING			
23	12 OCT	Pitch Fundamentals	<p>Guest Lecture: Tim Flood, Kenan-Flagler Business School</p> <p>Assignment: Create a pitch by October 14.</p>
24	14 OCT	Pitch exercise/assignment	<p>Peer feedback on pitches. You will be assigned a peer group and have to deliver your pitch to them. Your peers will listen and then provide constructive feedback and ask questions. At the end of class, each group must submit the three most useful things they heard/learned from their peers.</p> <p>Assignment: By the end of class, let the instructors know if you want to continue your idea into the 2nd half of the semester.</p>
		UNC FALL BREAK	
FINAL PROJECT			
25	19 OCT	Diversity & Team Formation	<p>Guest Speaker: Bernard Bell, Entrepreneur in Residence</p> <p>Teams formed - we form the teams and assign them.</p>

			Assignment: TBD
26	21 OCT	Reverse Pitch: Feeding a Hungry World Begin Brainstorms	Guest Speaker: Professor Alice Ammerman, School of Public Health Assignment: What did you hear? Due Oct. 23.
27	23 OCT	Workday: Brainstorming the Problem & Solution	Assignment: Top 5 ideas Due Oct. 26
28	26 OCT	Workday: Brainstorming & Value Proposition	Assignment: Value Prop First Draft Due Oct. 28
29	28 OCT	Workday: Customer & Expert Validation	Assignment: Summary of talking to 4 customers and 2 experts/partners Due Oct. 30
30	30 OCT	Workday: Market Sizing	Assignment: First draft of Target Market Due. Nov. 2
31	2 NOV	Feedback - EIR Office Hours	Assignment: Revised Value Prop & feedback from 4 more Customers and 1 expert/partner Due Nov. 4
32	4 NOV	Workday: MVP	Assignment: MVP Due Nov. 6
33	6 NOV	MVP 1-minute demo	1 minute, every team in class Assignment: MVP feedback from 8 customers Due Nov. 13
34	9 NOV	Workday: Financial Assumptions	Assignment: Cost Structure Due Nov. 11
35	11 NOV	Workday: Financial assumptions	Assignment: Revenue Structure Due Nov. 13
36	13 NOV	Elevator Pitch - 1 minute	Assignment: Pitch Script Due Nov. 16
37	16 NOV	Feedback - EIR Office Hours	Assignment: Source List Due Nov. 20.

38	18 NOV	Workday	
39	20 NOV	Workday	
40	23 NOV	Project Wrap-Up	Select videos of 6-7 pitches DUE: Video Pitches DUE: PowerPoint Leave Behinds
41	30 NOV	Top 5 Finalists	Coaches and peer feedback day for finalists
42	2 DEC	PITCH DAY	Top 5 teams pitch for \$\$\$ 5 Minute Pitch Students Vote + Panel of expert judges
	5 DEC	FINAL EXAM	8:00 AM

Grading

Individual

10% - Class participation - attendance, participating in class discussions, polls, cold calls, etc. (verbally and online).

15% - Final Exam

15% - Individual Assignments

Team

10% - Team Assignments

25% - Pitch

25% - Pitch Deck leave behind with footnotes/sources

About cold calls...

We utilize “cold calls” in our class extensively. It is a common practice in many graduate level classes. On any given day, you may be randomly called to come to the front of the class and answer a short question, or speak briefly on some aspect of a reading or assignment. In short, you are always responsible for the content of any readings and, of course, any assignments. You will not be “graded” *per se* on your

cold call answer but your participation grade will suffer 1) if you are not there when called, or 2) have clearly not done the work to prepare for class. So, come to class and be prepared. That is what we expect.

Team Assignments

Much of the work in this class is done in teams - particularly in the 2nd half of the semester. Each team assignment should be submitted by only one member of your team to Sakai or as directed by the instructors - direct email, Google form, etc. Each team member will share the same assignment grade. Assignments turned in late or incomplete will receive a 0.

Pitch criteria

Overall, the pitch (maximum of 5 minutes) will be evaluated based on how well you articulate your basic value proposition, how you plan to deliver that value to your customers and how you will financially sustain it. Specifically, we will be evaluating the specific criteria listed below on a scale of 1-4 where 1 = not included, 2 = included but little to no substance or support, 3 = good but could be stronger, 4 = excellent, nothing obvious could make it any better.

- Hook - good, convincing and quick.
- Problem - Clearly defined problem with clearly defined customers
- Solution - Clear explanation of your solution to the problem
- Data - We are looking for clear, data-driving connections for the solution to your problem
- Revenue and Costs - Concise and simple revenue and cost structures.
- Summary - A clear ask - what do you need to get this thing going and why?
- Not to exceed 5 minutes.

Pitch Deck criteria

This is where you include the meat of your work. You will submit a PowerPoint presentation that would serve as a leave-behind for a pitch. It could be different than what you use for your actual presentation. The purpose of the leave behind deck is to explain your business to someone who didn't see the presentation.

Similar to the pitch, the pitch deck will be evaluated based on how well you prove the viability of your business. You must create slides as well as include all supporting material (sources, data points, etc) associated with each slide in the footnotes sections. Specifically, we will be evaluating the specific criteria included below on a scale of 1-4 where 1 = not included, 2 = included but little to no substance or support, 3 = good but could be stronger, 4 = excellent, nothing obvious could make it any better

- Value proposition - what is the value you are delivering to your customers?
- Customers - how big is your market? How do you know your customers have the problem you are solving? How do you know your product is desired or valuable to your customers?
- What is your solution? How does it work? How have you tested the solution with your customers?
- What is the cost structure of your business in the first 3 years? What are the main operating costs and the initial startup costs? How did you calculate and get to these costs?
- What are the revenue streams for your business? How many customers will you realistically have? How will you attract/find/sell to those customers? How do you know why price they are willing to pay?
- What do you need right now?

Teams

You will work in small teams all semester. *The team will not succeed without you and you will not succeed without your team.* TRUST US when we say the key to having a positive and successful team experience is to physically work together. Some tasks can be completed individually on your own time, but you will follow a better structure, develop a better venture and receive a higher grade if you work together.

Honor Code:

It is expected that you will conduct yourself within the guidelines of the University honor system (<http://honor.unc.edu>). 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 instructors' responsibility as faculty members under the Honor Code, please see the course instructors.

Seeking Help:

If you need individual assistance, it is your responsibility to meet with an instructor during office hours or to set up an appointment for another time. If you are serious about wanting to improve your performance in the course, the time to seek help is as soon as you are aware of the problem – whether the problem is difficulty with course material, a disability or an illness.

Diversity:

The University's policy on Prohibiting Harassment and Discrimination is outlined in the Undergraduate Bulletin <http://www.unc.edu/ugradbulletin/>. In summary, UNC is committed to providing an inclusive and welcoming environment for all members of our community and does not discriminate in offering access to its educational programs and activities on the basis of age, gender, race, color, national origin, religion, creed, disability, veteran's status, sexual orientation, gender identity, or gender expression or disabilities.

Special Accommodations:

If you require special accommodations to attend or participate in this course, please let the instructors know as soon as possible. If you need information about disabilities visit the Department of Disability Services website at <http://disabilityservices.unc.edu/> or call (919) 962-8300.