ENTREPRENEURSHIP - NEW VENTURE CREATION
22-ENTR-7005-001
Carl H. Lindner College of Business
University of Cincinnati
Spring Semester, 2016 (16-SS)
Monday 6:00 – 8:50 p.m.

Instructor: Charles H. Matthews, Ph.D. Phone: 513-556-7123
Office: 510 Lindner Hall Fax: 513-556-5499
Office Hours: By appointment only Email: charles.matthews@uc.edu
Web page: http://blackboard.uc.edu

Learning Objectives:

♦ To explore, analyze, and discuss the concept of entrepreneurship.
♦ To sharpen abilities needed to formulate a business plan for an original venture concept.
♦ To practice evaluating new venture concepts and better understand the complexity of new venture initiation.
♦ To write a comprehensive, solid, executable new venture business plan.
♦ To integrate knowledge and skills from previous coursework and business experience.
♦ To think entrepreneurially!

Texts and Materials:


Handouts as assigned.

Brief Overview:

“Entrepreneurship: New Venture Creation” (22-ENTR-7005) focuses on the total enterprise creation process: all the functions, activities and actions associated with perceiving, clarifying, and refining opportunities, crafting a business plan, and creating organizations to pursue your entrepreneurial objectives. This course seeks to help students develop the skills and knowledge that will enable them to be effective as entrepreneurs or members of entrepreneurial teams. While our primary focus will be on independent ventures, the knowledge, skills, and capabilities gained here should be relevant to those involved in creating new ventures within the context of established corporations, public or private (although corporate venturing will not be our primary focus this quarter).
Selected topics include: The entrepreneurial process; identifying and cultivating ideas; the business planning process; entrepreneurship and e-commerce; identifying and raising capital; implementing the plan; managing growth; and harvest options. Our focus will build on the principles of strategic management. It takes the view of the general manager, uses concepts from many of your management and other courses, and considers the total enterprise. In addition to the above, we will learn:

1. How to identify and evaluate new venture opportunities.
2. To understand what is required for a business plan.
3. How to gather the resources necessary to implement such a plan.
4. The art and science of managing and growing the business.
5. The importance of considering how to harvest the gains.

Grades:

- Class Discussions/Participation: 15%
- Written Assignments (3): 30%
- Business Plan Presentation: 15%
- Written Business Plan: 40%

100%

Business Plan Grading:

- Industry Analysis (including competitive and competitor analysis): 20%
- Market Analysis (including location analysis): 20%
- Organizational Analysis: 20%
- Financial Analysis: 20%
- Overall Impact: 20%

100%

New Venture Competition: Teams completing this class are often eligible to go on to compete for substantial prize money in various intercollegiate and other competition. Collectively, since 1997, UC teams have won more than $100,000 in competition winnings. More information is available from Professor Matthews.

A brief history of UC New Venture Teams on the road. This represents a great opportunity to showcase the outstanding work of our graduate students. In our first year of competition, 1997-98, competing at Indiana University, the U.C. team finished second ($2,500 Burton Morgan Prize) in a strong field that included Indiana University (1st place $5,000 Motorola Enterprise Award), Michigan State University, Purdue University, Case Western Reserve, and the University of Louisville (3rd place $500 Whirlpool Prize).

In 1999-2000, again competing at Indiana University, the UC team won the preliminary round and moved on to the final round against the University of Michigan and University of Louisville. The University of Michigan took first place honors ($10,000), with Louisville taking second ($3,000) and UC third ($1,000). The UC team went on to compete in the New Venture Championship sponsored by the University of Oregon where they finished in the top five out of 20 competing schools.
In 2001-02, two UC teams did an outstanding job of representing UC in competitions on both coasts. Physiomics Inc. (Dan Shelly, Thad Edmonds, and Jessica Miller) took first place in the Fourth Annual UC MBA New Venture Competition and moved on to take First Place in the Lightning Round at the New Venture Championship at the University of Oregon and second place at the Dayton i-Zone Venture Competition picking up over $15,000 in prize money. iSETek, Inc. (Paolo Dominguez, Bill Kinnaird and Mike Ross) was the first runner up in the UC MBA New Venture Competition and went on to be one of only nine finalist teams out of 225 to be invited to present at the 2nd Annual MBA Jungle Business Plan Challenge in New York city. Other schools invited included Harvard, Michigan, Columbia, UC Berkley, UCLA, Univ. of Texas Austin, U of Washington, and Wharton. Both UC ventures benefited from awards from the Bearcat Bridge Fund established in 2004, to help student initiated ventures launch.

In 2002-03, Marcato Percussion (Melissa Berrier, Tao Nguyen, David Martin, and Rita Zsarnovszkyne) took first place in the UC MBA New Venture Competition and went on to represent UC at the IU Competition. Martin Percussion is poised to redefine the process standards by which percussion instruments are manufactured and the quality of the instrument's sound. The first runner-up was Medeven Technologies (Matt Burke and Terry Phillips). Medeven is aggressively identifying and developing new medical product applications in the respiratory field and has already identified its first product resulting from intellectual property pioneered here at UC - a speech valve for pediatric tracheotomy patients. Both new ventures are recipients of awards from the Bearcat Bridge Fund.

In 2003-04, the winner of the 7th Annual UC MBA New Venture Competition, apartmentfrog, inc. (Doug Hott, Jennifer Pham, and Keith Daegele) went on to finish second in the 8th Annual IU Competition, narrowly edged out by the University of Louisville. Apartmentfrog.com is up and running matching apartment hunters with landlords.

In recent years, the following teams have represented UC in the Spirit of Enterprise Graduate Business Plan Competition (2005-2013, 2014 the SoE is on hiatus): 2005, Pizzeria Fresco (Brett Smith and Bhaskar Narayanaswamy); 2006, Progressive Cooling Solutions (Ahmed Shuja, Megan Payne, and Liz Sayers); 2007, Bioinformatics (Ralph Brueggemann, Jessica Albrecht, and Arpan, Joshi); 2008, BuyStonesOnline, Inc. (Divy Chaurasia); 2009, Diabetitec, LLC (Philip Gettinner and Amro Kamel); 2010, vMouse, (Niraj Kapadia and Gregory Crase); 2011, GreenLife Energy (Ron Meyers and Charles Schwartz); and 2012, Ischiban Neural Engineering Systems (Pooja Kadambi, Ron Meyers, Aaron Korusu, and Joe Lovelace). Subsequent to 2013, UC Teams competing on the road include 2013, Sustain-A-Watt (Rod Ghavami, Ron Gillespie, Laksh Khurana); 2014, Effuelent (Ethan Jacobs, Ron Gillespie, and Qingsi Tu); 2015, CarPal (Tumal Karunaratne, Zachary Hawke, and Andrew Stratton).
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<tr>
<th>Class</th>
<th>Tentative Schedule and Topics</th>
<th>Assignments</th>
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<tbody>
<tr>
<td>1. M 01/11</td>
<td>Introduction: Course Overview; What is Entrepreneurship? Burton Snow Boards (video)</td>
<td>Teams form Essay due next week</td>
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<td>2. M 01/18</td>
<td>Martin Luther King, Jr. Holiday – No Classes</td>
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<td>ESR Teams</td>
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<td>Team</td>
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<td>5. M 02/08</td>
<td>The Start-up Process: Entrepreneurship and Opportunity Guest Speaker: Jean-François Flechet, founder Taste of Belgium Entrepreneur Strategies Report</td>
<td>NVC, Chs. 7, 8 Top 20 Questions due next week</td>
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<td>ESR Teams</td>
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<td>Team 1</td>
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<td>6. M 02/15</td>
<td>Developing the New Venture Business Plan Guest Speaker: Mohamed Abuali, PhD, CEO Forcam Inc. Corporate Entrepreneurship Discussion: “There No Business Like E-Business” Entrepreneur Strategies Report</td>
<td>NVC, Ch. 11 (EGBL, Ch. 9) Top 20 Questions Due</td>
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<td>ESR Teams</td>
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<td>7. M 02/22</td>
<td>Growing and Managing the New Venture – Intellectual Property Guest Speaker: Mr. Todd Bailey, Attorney, Frost Brown Todd - intellectual property litigation, commercial litigation, and more. Entrepreneur Strategies Report</td>
<td>NVC, Ch. 11 (EGBL, Chs. 3, 14)</td>
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<td>ESR Teams</td>
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<td>Team 3</td>
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<td>ESR Teams</td>
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<td>9. M 03/07</td>
<td>Growing and Managing the New Venture – Corporate Entrepreneurship Discussion Case: Quick Study (Handout) Guest Speaker: Dr. Adam Malofsky, founder Bioformix Entrepreneur Strategies Report</td>
<td>NVC, Chs. 15, 16, 17, 19 (EGBL, Ch. 16 and 17)</td>
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<td>ESR Team</td>
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<td>Team 5</td>
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| 10. M 03/14 | The Founder and the Team: Bringing It All Together  
**Something Ventured:** "A Different Look: The Nicole Miller Story" (video)  
**Guest Speaker:** Gary Darna, Founder, Complete Set  
Entrepreneur Strategies Report |
| 11. M 03/21 | Spring Break Week – No Classes                                           |
| 12. M 03/28 | Growing and Managing the New Venture – The Perfect Pitch  
**Case Discussion:** The Team Toy Works (Handout) |
Growing and Managing the New Venture – Course wrap up         |
| 14. M 04/11 | All papers due                                                          |
| 15. M 04/18 | TBD                                                                     |
| 16. M 04/25 | No exam                                                                 |

**Key Dates:**

- 01/18 Essay due
- 02/15 Top 20 Questions due
- 04/04 Business Plan presentations
- 04/11 Business Plans due

*NVC, Chs. 8, 9, 10*
Assignments

(1) Essay - due week two. Please prepare a brief essay (600-1,000 words, typed, double spaced) on the topic, "What does it mean to be an entrepreneur?"

For your essay file name, please use the following rubric:
LastName_FirstName_Essay_ENTR7005_16SS.doc or pdf.

(2) Entrepreneurship Strategies Report - due weeks four through 11. Please conduct an interview with a small business owner, entrepreneur, or intrapreneur and write a brief report (five to seven pages double spaced). You are responsible for finding, arranging, and completing the interview. Your interview may be with someone you know (e.g., family, employer) or someone you would like to meet. Your interview, however, must be with someone not involved with a business you currently own.

For your ESR file name, please use the following rubric:
Team_Number_ESR_ENTR7005_16SS.doc or pdf.

In week two or three, we will set a tentative schedule for your reports. In weeks three through eleven, you will have approx. 10 minutes to present your report and 10 minutes for discussion. Written reports are due the day you are scheduled to present. If you would like to invite your interviewee to class, you must arrange this with me one week in advance. The Top 20 Questions you address for your own venture (see Assignment 3 below) and the following outline provide a possible structure for your interview/report:

I. Title Page

II. History of Company: Brief description of the company's operation and products, evolution to the present, general background and experience of the owner(s), years in business, and number of employees.

III. Statement of Objectives: Concise statement of the owner's business objectives. How are these quantifiable, measurable, and attainable?

IV. SWOT Analysis: A concise analysis of the firm's strengths, weaknesses, opportunities, and threats. What are the firm's distinctive competencies and competitive weaknesses?

V. Industry Overview.

VI. Organizational Overview.

VII. Market Overview (including location).

VIII. Financial Overview (if provided).
(2) **Top 20 Questions** - due week six. Handout available under Course Documents. This should be for your team’s new venture plan.

For your Top 20 Questions file name, please use the following rubric:
Team_Number_20Questions_CompanyName_ENTR7005_16SS.doc or pdf.

A **suggested outline for your business plan might include the following. All Business Plans should be no more than 40 pages total: 12 point font; 1 inch margins all around; 25 pages double spaced text; 15 pages Appendices:**

1. Title Page
2. Table of Contents
3. **Executive Summary (Required) (may be single spaced)**
   1. Pain/Problem being addressed. Mission Statement and Objectives
   2. Solution and Description of Business
   3. Industry Profile
   4. Description of Products and/or Services Offered
   5. Market Feasibility and Marketing Strategy
   6. Management Team
   7. Financial Plan
   8. Production Plan (if applicable)
   9. Appendices: Including pertinent financial statements, market survey information, etc., which are used in the preparation of your business plan. All appendices should be referenced in the text of the report.

**SUGGESTED READING/REFERENCE**
(See our class Blackboard web site for the most current UC Library resources available or visit [http://www.libraries.uc.edu/business.html](http://www.libraries.uc.edu/business.html) for the UC Internet and Business Library)

**Daily/Weekly/Monthly**

- The Wall Street Journal (see Instructor or class web site for subscription information)
- Business Week

**Academic Periodicals**

- Entrepreneurship: Theory & Practice
  (Formerly American Journal of Small Business [HD 2346.U5A75])
- Journal of Business Venturing
References (Ask at reference desk for most recent issue or if you can't find an item you want.)

Almanac of Business & Industrial Financial Ratios
Troy, Leo (HF 5681.R25)

Annual Statement Studies

Barometer of Small Business
Accounting Corporation of America

Financial Studies of the Small Business (HD 2346.U5F55)

Industry Norms & Key Business Ratios
Dun & Bradstreet, Inc. (HF 5681.R25I5)

Simmons 1987 Study of Media & Markets (HF5415.3.S54 1987)
Simmons Market Research Bureau

Small Business Bibliography
U.S. Small Business Administration (Z7164.C81U718)

Statistics of Income--Sole Proprietorship Returns
U.S. Treasury

U.S. Industrial Outlook
U.S. Dept. of Commerce (HC 106.5 A265)

Industry Studies, Surveys, Reports, and Statistics:

http://www.libraries.uc.edu/research/subject_resources/business/resource_industry_data.htm#industry

Standard & Poor's Net Advantage is also available on line and should contain key industry ratios.

Books


**Books of interest:**


*Built to Last: Successful Habits of Visionary Companies* (1994) by Jim Collins and Jerry I. Porras.


Additional Recommended Reading and Books of Interest


STUDENT DATA FORM

Entrepreneurship: New Venture Creation

Please Check Your Section

☐ 22-ENTR-7005-001  ☐ BAMBA 22-ENTR-7005

Date_________________

Name_________________________________________ M#_________________________
First   MI   Last
Major/Concentration__________________________________________

Address_____________________________________________________
Street                        Apt.                        Zip_________________
_____________________________________________________________
City                           ST

Work Phone__________________________ Home Phone____________________________
(area code)                     (area code)

Email________________________ Cell Phone____________________________
(area code)                     (area code)

Full- and Part-time work experience (job title, brief description):
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