This course seeks to explore the many dimensions of new business creation and growth, and the fostering of innovation and new venture formation in established independent and corporate settings.

In order to deal effectively with the many challenges of entrepreneurship, managers need to acquire knowledge and skills across a wide set of issues. These include conceptual and leadership skills such as: an ability to accurately read changes in the external environment; an ability to define and redefine organizational purpose; to handle complex trade-offs between demand for services and resource constraints; to find resources; to maintain the commitment and productivity of employees; and to guide the organization toward continuous improvement in addressing client needs. In other words, managers need deep knowledge of how to think, decide, and act creatively and strategically, across the entire set of issues impacting an organization.

Foundations of Entrepreneurship aims to prepare current and future entrepreneurs, financial partners, and managers by focusing on the knowledge, skills, values and attitudes needed to manage new venture creation and development. The course will integrate both an academic and practitioner view of the challenges facing entrepreneurs and investors involved in entrepreneurial issues. The course draws on a variety of disciplines, including management and finance, to develop frameworks and techniques that are needed to plan, start, evaluate, and successfully operate either stand-alone or embedded ventures.

**Course Themes**

The course focuses on eight principal themes:

- **Defining entrepreneurship**
- **Creating and evaluating opportunities for new ventures**
- **Conducting due diligence**
- **Acquiring needed resources (human and financial)**
- **Generating sales and marketing initiatives for new ventures**
- **Managing the growing business**
Identifying and overcoming challenges in new ventures
Harvesting the venture

Course Methods
Class assignments and discussions are designed to develop the critical thinking, communication and managerial skills necessary to successfully plan, start, operate or invest in new ventures. Each class will include discussion of readings, case analysis; some class sessions will include group activities. In analyzing cases, students will be expected to question what steps should we take to further the development of the venture, what are the venture’s risks and how should they be managed, how should the company be financed, how should the deal be priced and structured, and what tactics might be utilized in order to secure a more favorable deal? We will adopt the perspective of different roles in all case discussions (for example, the issuer versus the financier, corporate investors versus fund operators and angels). Occasionally, material will be presented in lecture format, but students should always be prepared to answer questions.

Classroom Contributions
The learning experience in a course like this one depends heavily on each student being prepared to actively participate in every class session. We all have experiences that will enrich the topic and direction of discussion in the course. This means that you need to be fully acquainted with the readings and cases for a given session. Effective participation includes attendance, active involvement in all in-class exercises and discussions, and maintenance of a classroom demeanor that encourages the participation of others. You will be evaluated on the quantity as well as the quality of your contribution and insights.

Written Case Analyses
As the final project, students will be required to prepare a written case-related analysis. This individual assignment is due on December 15 at 9 AM. It should be a maximum of 15 pages, excluding exhibits. The case analysis papers consist of an in-depth written analysis and application of techniques and methods to a venturing situation. The paper should address the questions assigned in the syllabus. The case assignment will be graded for content and format. You are required to turn in papers that conform to professional standards of organization, grammar, punctuation, spelling, and paragraph/sentence structure. Details of the Written Case Analysis assignment will be promulgated later.

Delivery of written materials
Reports should be sent by email to each of the following two addresses: justin.miller@stern.nyu.edu, and virtualjustin@nyc.rr.com. The requirement to send your reports to two addresses should resolve the inevitable potential problems experienced by the Stern email system.

Required Reading Materials
2. *Cases and Readings Packet*
Grading Plan
The course grade will be based on the following components and weights:
- Class Participation: 40%
- Group Project: 25%
- Written Case Analysis: 35%

Grading Policies
Class Participation points are based on class discussions and insights. Class participation is highly encouraged, points are not automatically awarded; they must be earned.

Late papers will be marked down 10 points (out of 100 possible on any paper) per day. Papers are due on the date assigned per this syllabus.

Instructor
Justin I. Miller is a fifth-year Ph.D. student in Management and Entrepreneurship at the NYU Stern School of Business. He has taught graduate and undergraduate courses in strategic management, the strategic use of information technologies in government, and a series of computer science management courses. In addition to serving as an adjunct faculty member at the Wagner School of Public Service (NYU), Baruch College School of Public Affairs (CUNY) and National University (San Diego), Justin has worked as a U.S. Naval officer (USNA graduate), as an attorney, and in the information technology industry. Justin help found a community-based legal services organization, and an information security consulting practice. Justin has also worked as a strategic management and technology consultant, specializing in non-profit organizations. Justin holds JD from University of San Diego, an MPA from Baruch/CUNY, and an MS (Electronic Commerce) from National University (San Diego).

Details Re: Course Meetings:

SCHEDULE
September 20 Defining Entrepreneurship
Session #1
Case: “Emmet Stephenson: Profile of an Entrepreneur” Reading: A Perspective on Entrepreneurship (Stevenson)
Question: What makes Stephenson an entrepreneur? What entrepreneurial characteristics does he possess? Why has he been successful?

Case: “Magdalena Yesil”
Reading: The Road Well Traveled (Bhide)
Questions: Should Magdalena join USVP? What are the position’s advantages and disadvantages?
September 27 Creating and evaluating opportunities for new ventures
Session #2
Case: “ICEDELIGHTS”
Questions: Evaluate the opportunity. How effectively have Paul, Mark and Eric pursued the opportunity? What are the critical risks faced by the business and by each of the individuals? What are the potential rewards? Evaluate the deal structure. What should they do?
   - Reading: Questions Every Entrepreneur Must Answer (Bhide)
   - Developing Start-up Strategies (Bhide)
   - Case: “Martin Smith”
   - Questions: Which deal should Martin recommend that his organization pursue? Evaluate the investment process.

October 4 Conducting Due Diligence
Session #3
Case: Reading: Questions:

October 11 Session #4
Case: Reading: Questions:
   - “Walnut Venture Associates (A)” “Some Thoughts on Business Plans”
   - What issues require investigation after analyzing the RBS Group business plan? How do you propose acquiring or developing the information in order to understand the open issues and to perform a risk assessment for the business?
   - “Walnut Venture Associates (B,C,D)” (to be handed out)
   - Venture Capital (Bagley), Chapter 13 from The Entrepreneur’s Guide to Business Law (Thomson)
   - As Bob O’Connor, how do you assess the attractiveness of having Walnut as an investor? How do you respond as the entrepreneur to the additional analytical requests by Walnut?
   - “Zipcar: Refining the Business Model” “A Note on Business Model Analysis for the Entrepreneur”
   - What is the business model? How has it changed over time? What does the data indicate about the business model’s effectiveness? How should Chase react to the operating results? Prepare an elevator pitch for Zipcar.

October 18 Acquiring needed resources (human and financial)
Session #5

October 25 Session #6 Case: Readings:
Questions:
Case: Reading: Questions:
What factors created an opportunity for Bob Reiss and the “TV Guide Game”? What risks and opportunities had to be overcome in order to successfully pursue the venture? How were the required resources obtained for the venture?

“Palm Computing” Legal Protection of Intellectual Property (Roberts)
What are Jeff’s most significant risks at this point in the venture? What strategy should be adopted for accelerating the development of Palm?

“Ockham Technologies: Living on the Razor’s Edge”
Assess Jim’s effectiveness with his start-up. What board-related considerations should be factored into the financing decision? How should Jim handle his relationship with Mike?

November 1 Acquiring needed resources (human and financial)
Session #7
Case: “Endeca Technologies (A)”
Readings: “A Note on Pre and Post Money Valuations” “A Note on Private Equity Securities” “Valuation of Venture Capital Deals” “A Note on Valuation in Private Equity Settings”
Questions: Compare the two offers and recommend a course of action. Assess the firm’s fundraising effort.

November 8
Session #8
Case: Readings:
Questions:
“Palm Computing 2”
“Alternative Sources of Financing” “Securities Law and Private Financing”
What is your recommendation? Evaluate each of the proposals carefully, assessing the advantages, disadvantages and risks of the proposals for both the business and for the founders.

November 15 Generating sales & marketing initiatives for new ventures
Session #9
Case: Questions:
Case: Questions:

November 22
Session #10
Case:
Questions:
“Granny’s Goodies”
How scalable is the company’s sales approach? How effectively has the company assessed its market and positioned Granny’s Goodies?

“Vinod Khosla and Sun Microsystems (A)”
How important is the CV order to Sun? Recommend a course of action.

“Beenz”
Evaluate the business model and strategy. Recommend a course of action.

Managing the growing business
December 6
Session #11
Case: “The Johnsonville Sausage Company”
Readings: “The Five Stages of Small Business Growth”
The Challenge of Growth (Roberts)
Managing Transitions in the Growing Enterprise (Roberts)
Building the Self-Sustaining Firm (Bhide)

December 13
Session #12
Case: “Managing Segway’s Early Development” Readings:
Questions: Evaluate Kamen’s approach to attracting strategic resources. What problems do DEKA and Ginger face? What should Kamen do about the 1999 bonuses and DEKA stock awards?

Planning for growing the business
Session #18
Case: “ThermoLase” Readings:
Questions: Prepare a plan for the venture.

April 2 Acquisition Strategies for Growth Session #19
Case: “Kendle International Inc.”
Questions: What strategic choices does Kendle face? Should the firm be sold in early 1997? Compare the sale price to the company’s stand-alone value. Do the target acquisitions make sense? What course of action do you suggest?

Harvesting the venture
April 29 Session #21 Case: Readings: Questions:
Session #22
Case: Readings: Questions:
“Teleswitch (A & B)”
“A Note on the Initial Public Offering Process”
Should the firm go public? Assess the valuation approaches used by the competing underwriters. Recommend a course of action.
“Nantucket Nectars”
Recommend a course of action. Should the founders remain independent, sell or go public? What is the value of the firm? Structure a process for realizing value for the founders.