

# MGB 244 – New Ventures

UC Davis GSM, Fall 2019

M. Lowe, Rev 09/02/2019

Sep 27, Oct 11, 25, Nov 8, 22

## **BASIC COURSE INFORMATION**

Location: Bishop Ranch 15, Room 1502

Class meets: Friday (9/27, 10/11, 10/25, 11/8, 11/22) 2-5 pm, 6-9pm

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Optional Text: Technology Ventures: From Idea to Enterprise, 4<sup>th</sup> Edition, Byers, Dorf, & Nelson, McGraw-Hill Irwin, 2011©, ISBN: 9780073380186

StudyNet Textpak: Course case studies

## **COURSE SYNOPSIS**

For much of the past 100 years, entrepreneurs have been the creators of many great enterprises. Many consider the formation of venture capital backed ventures to be the “extreme sports” of business. This course we focus on development of a comprehensive business and financial plan to fund and launch a significant new venture chosen by the student teams.

The planning process includes: elevator pitch, business strategy, comprehensive bottoms-up financial projections, capital requirements, product differentiation, competitive, alliance, and go-to-market strategy development, investor presentation, and comprehensive written business plan.

Topics covered in this course include:

- Opportunity, Competitive Advantage, & Strategy
- The Elevator Pitch
- Risk and Innovation
- Knowledge and Legal Issues
- Sources of Capital and Venture Financing
- Business Models & the Financial Plan
- Financial Planning Spreadsheet
- Marketing, Sales, & Go-to-Market Strategies
- Alliances & Team Formation
- M&A, Global Business, Profit Harvest
- Presentation & Negotiating the Deal
- Execution, Organization, and Resources
- Investor Funding Presentation
- The Business Plan

## **COURSE GRADING**

There are 1,000 total points possible for the quarter. Grades will be assigned based straight percentage of total points as detailed below:

A	95% or above	B	82.5% to 84.9%
A-	90% to 94.9%	B-	80% to 82.4%
B+	85% to 89.9%	C+	75% to 79.9%

The final course grade will be based on a combination of individual and team assignments. These assignments appear in the table below:

Graded Assignments	Points	Comments
Individual Class Participation	200	Active class involvement, intellectual engagement, and attendance
<del>Individual Case Study (1-page write-up) Individual write-up not required for team case.</del>	0	<del>3 cases x 67 points per case. (3 cases that your team is NOT presenting; choice of 3 out of 4 cases for teams presenting financial plan in-class)</del>
In-class Team Facilitations		
Case Study Facilitation (Teams 1 thru 4 will present cases)	100	Team leads 45 minute in-class case discussion or presents its 1 <sup>st</sup> pass financial model.
Biz Strategy or Financial Model preso (45-min) (Teams 5 will present it's first pass financial plan)	100	Teams will submit any presentations materials for evaluation
Biz Plan Intermediate Milestones/Deliverables:		
a) Team formation	n/a	
b) Business Concept (2 page)	50	
c) Biz Concept elevator pitch (10-min)	25	
d) Business Strategy Summary (7-10 pages)	150	
e) 1 <sup>st</sup> pass financial plan	25	
f) Financial Model Due Diligence session	150	
		Intermediate business plan milestones (concept, executive summary) are primarily for the team's benefit to provide structure for the development of the final business plan.
Team Final Business Plan Presentation	100	
Team Final Business Plan (25 pages max)	200	Class will score each team on viability of the plan presented. Presentation will be no more than 20 minutes including Q&A
Total Possible Score	1,000	

## TEAM GRADED ASSIGNMENTS

Teams will consist of **THREE (3) students** depending on total enrollment. **Teams will be formed BY Session #1.**

All assignments EXCEPT the Final Business Plan will be submitted on Canvas.

**DUE DATES** for all assignments appear in the table on last page of syllabus.

The following is a brief description and expectation for the TEAM Assignments

### 1. **Team Case Study Facilitation.**

Teams 1 through 4 will be responsible for leading the discussion of one of the five assigned case studies in class. The team facilitation will be graded on the team's preparedness and **creativity in facilitating a high degree of class interaction and healthy debate**. The presenting team's and visual aids and materials will be submitted to the instructor for evaluation.

The class discussion should cover: key decision(s) and/or issue(s), the class-generated decision alternatives and/or pertinent facts/statistics both qualitatively and quantitatively where applicable, the class's recommendations, the presenting team's key takeaways, or general principles that are applicable to other industries, markets, and/or business processes that you have learned from this case.

Teams # 5 will, also, present the first pass of their firm's financial plan to the class. See below.

2. **Business Concept Summary.** Each team will submit a written one-page proposal (**2-page maximum**). and present a 5-10 min "elevator pitch" of their business concept in class.
3. **Business Strategy Summary Write-up.** Each team will submit a written executive summary of their new venture (**7-10 pages**) summarizing the main points of the opportunity, and your hypothesis for the firm's business strategy in the context of developing a sustainable competitive advantage and the competitive environment.
4. **First-pass Financial Model.** All Teams will use the financial planning spreadsheet (on CANVAS FILES) to do a first pass of modeling their business. Mandatory concalls will be scheduled to review and critique your first pass submittal.
5. **Financial Model Due Diligence Session.** Each team will submit a complete financial model using the provided business model excel template and participate in a 45 min financial due diligence session. The team will provide a 10-minute overview of their financial model using the five line chart, and answer questions and defend their plans orally. All team members must be present and contribute to due diligence Q&A. (**softcopy financial plan spreadsheet + due diligence video conference**).
6. **Business Plan Presentation.** Each team will give a 30-minute presentation of their business plan to the class. Use effective communication means to convey your message. This will simulate the experience of entrepreneurs presenting their final pitch to the partnership of a VC firm for the final funding decision. The goal of the presentation is to introduce the team and convey sufficient information to the investors for them to vote to "fund the deal".

7. **FINAL Business Plan.** Each team is responsible for submitting a written business plan. The paper should be typewritten, and no more than 25-pages, NOT including appendices: tables, exhibits, and references.

### INDIVIDUAL GRADED ASSIGNMENTS

All written assignments must be submitted via CANVAS on the due date. No e-mail submissions will be accepted.

Attendance for the full class period is expected. Missing one session (one morning or afternoon session for 6-hour full day meeting) is acceptable with prior consent of the instructor. Additional absences will penalize your grade.

Full class participation and preparation is required. When cases are scheduled, be prepared to address all the issues and background.

#### 1) Written Case Analysis and In-Class Discussion

We will use case studies to enhance our learning. Each student is required to prepare a written case brief (~~two pages maximum~~) for each case. This assignment is individual-based.

Each student will be individually responsible for submitting ~~3~~ case study briefs during the quarter. You are expected to be equally familiar with the case content and equally active in class discussion as the team presenting the comprehensive case analysis in class.

~~Students in Teams 1 through 5 will be responsible for individual write-ups on the 3 cases your team does NOT present. There is no team or individual write-up required or allowed for the team case.~~

~~Students in Teams A & B will be responsible for individual write-ups for any 3 of the 4 assigned cases.~~

~~To provide additional flexibility to students who prefer to devote more time to the business plan project, there are two features which enable you to reduce your individual case study workload:~~

- ❖ ~~**PASS OPTION.** Brief one-page write-up providing evidence you read the case. PLEASE INDICATE **PASS ON SUBMITTED PAPER.** Grade = ~~56~~. You may elect to choose this option for any or all of your individual case study write-ups~~

You may use the case questions provided as a guide to your individual case analysis, but your written case analysis (2-page maximum) should contain the following:

- ~~1. Make a RECOMMENDATION or decision(s) SUPPORTED by the facts presented in the case(s)~~
- ~~2. Defend/support your recommendations with facts from the case or your own logic or knowledge~~
- ~~3. Complete any calculations or analysis required to support your recommendations.~~
- ~~4. Do NOT regurgitate of the facts of the case.~~

## 2) Final Self-Report and Team Assessment (1-page form due via CANVAS)

Each student is required to submit a TEAM ASSESSMENT FORM (to be distributed by instructor) with a self-report describing your specific accomplishments and efforts in building the business plan, cases and interviews, and your participation in the class discussion. The final self-report will also give a numerical assessment (0-150%) for each member of your team based on relative contribution.

### MGB 244 CLASS SCHEDULE

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Ssn	Date	Topics	Dorf/Byers	Assignment
1	FRI, 09/27 AM	The Entrepreneur Opportunity	Chapter 1, 2	Teams formed Work on biz concept
2	FRI, 09/27 PM	Competitive Advantage Strategy Development 1	3,4	
<b>SAT, 10/05, 9AM</b>				<b>Team Business Concept (2-pages)</b>
	<b>MON, 10/07 thru THU, 10/10</b>	Team Business Concept De-brief & Business Strategy CONCALL*		30-min concall with Marc to discuss concept feedback
3	FRI, 10/11 AM	Sources of Capital Strategy Development 2	6, 9, 18 Magretta (textpak)	5 min “elevator pitch” presented
4	FRI, 10/11 PM	Biz Model Formulation, Financial Plan, Part 1 Innovation, Knowledge	16, 17	Case #1 prep: <b>Andreesen Horowitz</b> (venture capital/strategy)
	<b>MONDAY 10/20, 9AM</b>	TEAM 5 may submit Strat Summary early (week of 10/13) for feedback to prep for Financial Due Diligence session in Ssn 5		<b>Business Strategy Summary</b>
5	FRI, 10/25 AM	Financial Plan, Part 2 Corporate Ventures	10, 11, 15	Case #2 prep: Hirschtick’s Venture (venture funding)
6	FRI, 10/25 PM	Risk and Return Sales & Marketing, Go-To- Market Strat	8	Teams 5   Financial Plan Preview

<b>SUN, 11/03 thru TUES, 11/05</b>		<b>First-pass Financial Model due SUN, 11/03, 9am</b>		30-min concall with Marc to review 1 <sup>st</sup> pass financial model
		Financial Plan CONCALL*		
7	FRI, 11/08 NOON	Go-to-Mkt Strategy  Presenting the Plan Negotiating The Deal	7, 19	Case #3 prep: Aegis Analytical (textpak) (sales alliances)
8	FRI, 11/08 PM	The Business Plan  Harvest, Mergers & Acquisitions	15, 16	Case #4 prep: HubSpot (textpak) (target segment id, prod dev)
<b>MON 11/11 thru THU, 11/14</b>		<b>FINAL Financial Model due MONDAY, 11/11, 9am</b>		GRADED 45-min due diligence session on financial model
		Financial Plan DUE DILIGENCE CONCALL*		
9	FRI, 11/22 NOON	Execution, Organization Legal Considerations	12, 20	
10	FRI, 11/22 PM	Final Pitch (4 Teams)		
<b>MON, 12/02, 9AM</b>		<b>Final Business Plan due</b>		<b>Self-Team Assessment Form</b> (25-pt penalty if not received by 12/01.

**MGB 244 TEAM BUSINESS CONCEPTS & ROSTER**

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TEAM	Co-Founders	Company Name	Business concept
<b>1</b>			
<b>2</b>			
<b>3</b>			
<b>4</b>			
<b>5</b>			

**MGB 244 TEAM ASSIGNMENT SCHEDULE**

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<b>Team</b>	<b>Case Study OR In-class Financial Plan Preso</b>	<b>Case Study Preso</b>	<b>'Vator Pitch</b>	<b>Concept Brief</b>	<b>Biz Strategy Paper</b>	<b>1<sup>st</sup> Pass Financial Plan (ALL Teams)</b>	<b>Financial Due Dili Session (ALL Teams)</b>	<b>Biz Plan Preso</b>	<b>FINAL Business Plan</b>
<b>1</b>	Andreesen	Ssn #4	Ssn #3	CANVAS 10/06 9AM	CANVAS 10/21 9AM	due 11/03 vidcon 11/03-05	due 11/11 vidcon 11/11-14	Ssn #10	CANVAS 12/02 9AM
<b>2</b>	Hirschtick	Ssn #5	Ssn #3	CANVAS 10/06 9AM	CANVAS 10/21 9AM	due 11/03 vidcon 11/03-05	due 11/11 vidcon 11/11-14	Ssn #10	CANVAS 12/02 9AM
<b>3</b>	Aegis	Ssn #7	Ssn #3	CANVAS 10/06 9AM	CANVAS 10/21 9AM	due 11/03 vidcon 11/03-05	due 11/11 vidcon 11/11-14	Ssn #10	CANVAS 12/02 9AM
<b>4</b>	Hubspot	Ssn #8	Ssn #3	CANVAS 10/06 9AM	CANVAS 10/21 9AM	due 11/03 vidcon 11/03-05	due 11/11 vidcon 11/11-14	Ssn #10	CANVAS 12/02 9AM
<b>5</b>	Present 1 <sup>st</sup> pass financial	Ssn #6	Ssn #3	CANVAS 10/06 9AM	CANVAS 10/21 9AM	due 11/03 vidcon 11/03-05	due 11/11 vidcon 11/11-14	Ssn #10	CANVAS 12/02 9AM

★ **Team/Self-Assessment Evaluation Form due via CANVAS - MONDAY, DEC 02, 9AM.**

★ **Instructions will be discussed in class.**