

MGP/T 244 – New Ventures

UC Davis GSM, Winter 2020

M. Lowe, Rev 1/1/2020

BASIC COURSE INFORMATION

Room: UC Davis Gallagher Hall | Room GH-1213

Class Meets: Mondays, 6:30-9:30pm

Marc Lowe, BS, MBA

Email | mdlowe@ucdavis.edu

goog + | mdl.praxis@gmail.com

mobile | 650.521.1005

REQUIRED Harvard Business Publishing (HBP) Textpak: Course case studies

OPTIONAL textbook (reference only): Technology Ventures: From Idea to Enterprise, 4th Edition, Dorf & Byers, McGraw-Hill Irwin, ISBN 978-0-07-352342-2

COURSE SYNOPSIS

New and Small Business Ventures is a hands-on course in business planning. While this course focuses on venture capital backed, start-up ventures, the planning principles are directly applicable to corporate planning in medium-sized to Fortune 500 companies as well.

Teams will experience and practice business planning activities first-hand by either developing their own business concept or choosing to work on a live project based on intellectual property developed by UC Davis scientists and technologists who are enrolled in the Business Development Fellows program.

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 a 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	100	Active class involvement, intellectual engagement, and attendance
Individual Case Study (1-page write-up) Individual write-up not required for team case.	150	3 cases x 50 points per case. (choice of 3 out of 4 cases that your team does NOT present; choice of 3 out of 5 cases for teams presenting financial plan in-class)
In-class Team Facilitations	100	Teams will submit any presentations materials for evaluation
Case Study Facilitation (Five teams will present cases – Teams 1 thru 5)		Team leads 30-45 minute in-class case discussion ...
Financial Model preso (30 min) (teams NOT facilitating case – Teams A, B, C)		... present their financial planning spreadsheet for evaluation by class. (30-min)
Biz Plan Intermediate Milestones/Deliverables:		
a) Team formation	n/a	
b) Business Concept (2-pages)	50	
c) Biz Concept elevator pitch (5-min)	25	
d) Business Strategy Summary (7-pages)	125	
e) 1 st pass financial plan	50	
f) Financial Model Due Diligence session	100	
Team Final Business Plan Presentation	100	Class will score each team on viability of the plan presented. Presentation will be no more than 30 minutes including Q&A
Team Final Business Plan (20 pages max)	200	
Total Possible Score	1,000	

TEAM GRADED ASSIGNMENTS

Teams will consist of 4 MBA students – an MPAC (Accounting Masters candidate) and Business Development Fellow (STEM PhD candidate) will be assigned to your team. **Teams should be formed BEFORE Session #1.**

All assignments including 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 5 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 A thru C will present the first pass of their firm's financial plan to the class in lieu of facilitating a case study. See below.

2. **Business Concept Summary.** Each team will submit a written one-page proposal (**2-page maximum**). and present a 5min "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 (**5-7 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.** Each team 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 60 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 is required to 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 20-pages, NOT including appendices: tables, exhibits, and references. **The Final Business plan will be submitted via CANVAS.**

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 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 through C will be responsible for individual write-ups for any 3 of the 5 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 = **43**. You may elect to choose this option for **any or all** of your individual case study write-ups
- ❖ **EXTRA CREDIT.** You may choose to write-up and submit a fourth case write-up. I will replace the lowest grade you receive on an individual paper with the highest grade.

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.

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	100	Active class involvement, intellectual engagement, and attendance
Individual Case Study (1-page write-up) Individual write-up not required for team case.	150	3 cases x 50 points per case. (Three of four cases for teams 1 thru 5; you cannot write up your team case. Choice of three out of five cases for teams A thru C.)
In-class Team Facilitations Case Study Facilitation (Five teams will present cases – Teams 1 thru 5) Financial Due Diligence (teams NOT facilitating case – A, B, C)	100	Team leads 30-45 minute in-class case discussion OR... ... presents their financial planning spreadsheet for evaluation by class. (30-min)
Biz Plan Intermediate Milestones/Deliverables: a) Team formation b) Business Concept (1-2 page) c) Biz Concept elevator pitch (5-min) d) Business Strategy Summary (7-pages) e) 1 st pass financial plan f) Financial Model Due Diligence session	n/a 50 25 125 50 100	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	Class will score each team on viability of the plan presented. Presentation will be no more than 20 minutes including Q&A
Team Final Business Plan (20 pages)	200	
Total Possible Score	1,000	

MGP/T 244 CLASS SCHEDULE

M. Lowe, Winter 2020

Ssn	Date	Topics	Assignment
1	Monday Jan 6	The Entrepreneur Opportunity Evaluating Opportunities	Teams formed
	Monday, Jan 13, 10am		Team Business Concept Summary (2 pages)
2	Monday Jan 13	Competitive Adv Strategy Development	5 min “elevator pitch”
	Wed, Jan 15 to Fri, Jan 17	Team Business Concept De-brief & Business Strategy CONCALL*	30-min concall with Marc to discuss concept feedback
	Monday Jan 20	MLK DAY	No Class
3	Monday Jan 27	Sources of Capital Founder Ownership	Case #1 prep: Andreesen Horowitz (textpak)
4	Monday Feb 3	Business Models Financial Planning Start-up Sales	Case #2 prep: Hirschtick’s Venture (textpak)
	Sunday Feb 9, 10am		Team Strategy Paper (5-7 pages)
5	Monday Feb 10	Go-to-Market Venture Risk	Case #3 prep: Aegis Analytical (textpak)
	Monday Feb 17	Prez Day	No Class
	Wed, Feb 19		1st pass financial plan spreadsheet due (all teams)
	Wed, 2/19 to Fri, 2/21	Financial Plan Coaching CONCALL	30-min concall to review 1st pass financial model
6	Monday Feb 24	Financial Plan. Part 2 The Deal Negotiating & Pitching	Financial Plan Previews (Teams A, B, C)
7	Monday Mar 2	Venture Risk Harvest, M&A	Case #4 prep: Hubspot (textpak)
	Wed, 3/ 4 - Fri, 3/ 6		FINAL Financial Plan spreadsheet file due FINAL Financial Due Diligence Concall

8 Monday Mar 9 Leading New Venture The Business Plan Case #5 prep: BioTransplant (exit strategy, M&A)
Team Presentation (3) Teams present final pitch (30 min incl. Q&A)

9 Monday Mar 16 Team Presentation (5) Teams present final pitch (30 min incl. Q&A)

**SATURDAY
Mar 21,
11:59pm**

Final Business Plan & Team Assessment Due by email

*Business Planning CONCALL appointments will be reserved via Doodle invitation. Doodle link will be provided. You will receive a calendar invitation from mw with a Zoom video conference link.

MGP/T 244 TEAM ASSIGNMENT SCHEDULE

M. Lowe, Winter 2020

Firm	Team Case	Team Case/ Preso Date	5-min 'Vator Pitch	2-page Concept Brief	Biz Strat Paper	1 st Pass Financial Plan (ALL Teams)	Team Financial Due Dili Concall	Biz Plan Preso	Team/Self Eval Form & Final Biz Plan*
1	Andreesen	Ssn #3	Ssn #2	CANVAS 1/13 10AM	CANVAS 2/9 10AM	due 2/19 vidcon 2/19-21	MAR 4-6	Ssn #8/#9	CANVAS 3/21 11PM
2	Hirschtick	Ssn #4	Ssn #2	CANVAS 1/13 10AM	CANVAS 2/9 10AM	due 2/19 vidcon 2/19-21	MAR 4-6	Ssn #8/#9	CANVAS 3/21 11PM
3	Aegis	Ssn #5	Ssn #2	CANVAS 1/13 10AM	CANVAS 2/9 10AM	due 2/19 vidcon 2/19-21	MAR 4-6	Ssn #8/#9	CANVAS 3/21 11PM
4	Hubspot	Ssn #7	Ssn #2	CANVAS 1/13 10AM	CANVAS 2/9 10AM	due 2/19 vidcon 2/19-21	MAR 4-6	Ssn #8/#9	CANVAS 3/21 11PM
5	BioTransplant	Ssn #8	Ssn #2	CANVAS 1/13 10AM	CANVAS 2/9 10AM	due 2/19 vidcon 2/19-21	MAR 4-6	Ssn #8/#9	CANVAS 3/21 11PM
A	Present 1 st pass financial	Ssn #6	Ssn #2	CANVAS 1/13 10AM	CANVAS 2/9 10AM	due 2/19 vidcon 2/19-21	MAR 4-6	Ssn #8/#9	CANVAS 3/21 11PM
B	Present 1 st pass financial	Ssn #6	Ssn #2	CANVAS 1/13 10AM	CANVAS 2/9 10AM	due 2/19 vidcon 2/19-21	MAR 4-6	Ssn #8/#9	CANVAS 3/21 11PM
C	Present 1 st pass financial	Ssn #6	Ssn #2	CANVAS 1/13 10AM	CANVAS 2/9 10AM	due 2/19 vidcon 2/19-21	MAR 4-6	Ssn #8/#9	CANVAS 3/21 11PM

* Team/Self-Assessment Evaluation Form due via CANVAS - **SATURDAY, MAR 21, 11:59PM.**

* Instructions will be discussed in class.

MGP/T 244 TEAM ROSTER
Winter 2020

FIRM #	Co-Founders	Company	Business Concept
1	Yuan Cheng Patrick Rosenberg Daniel Student Lesley Watson		
2	Andrea Ellinghouse Matt Musser Will Cahill Stephanie Zarate Anna Palmer (Audit)		
3	Stephanie Borgstein Jugraj Waraich Felix Lamas Victor Moreno		
4	Hernandez, Michael Karkazian, Tamar Thielen, Christopher ???		
5			
A	Ryan Brewer Albert Contreras Riley Stille Justin Virrey		
B	Dao, Nicholas Gali, Gautham Pahi, Avilash Sadilek, Tomas		
C			

Business Development Fellows in RED
MPAc candidates in BLUE