

The Entrepreneurship Clinic prepares students to balance between developing a new business idea and evaluating its potential. The emphasis will be on the design of new business ventures (Entrepreneurship) and on the methods necessary for rapid yet rigorous analysis of these ventures for investment (Venture Investment). Projects will span multiple disciplines and markets.

The class will have several outstanding investors, entrepreneurs and finance people as guest speakers. A highlight of the class will be interaction with Angel Investors, entrepreneurs and finance professional and a judging panel of active investors.

Classes will be split between lectures, case studies, along with presentation and analysis of student's work.

## Course Overview

In the beginning of the class, I will ask you to identify one or two potential venture that you want to pursue. You can identify such business ideas on your own based on the problem that you may have identified. You could also work with faculty, the UC-Davis Technology Transfer Center or tap in to a wider network of entrepreneurs and Angel investors. During the class, students will learn to rapidly develop preliminary business models and evaluate their commercial potential by analyzing all elements of the Business Model.

Students will work in interdisciplinary teams and are expected to participate and contribute to the success of their own team and provide feedback to other teams. Each team is both an entrepreneur and an investor. Thus, each team will gain experience of creating new venture ideas and investing in other teams' ideas. There are three major outputs for the proposed venture; 1, a well thought out "Business Model Canvas" of your proposed venture idea; 2, a well-structured "Elevator pitch" for your venture and 3, a convincing "Ten Slide Deck" for potential investors of the team-selected venture. The teams will also evaluate new venture ideas of others and make investment decisions.

Since this course is a "clinic", the students are expected to use the skills developed in their core courses such as Marketing Management, Financial Accounting and others.

This class will help students who are interested in participating in business plan competition or in simply learning and practicing the skills needed to develop and evaluate new venture ideas for a business. We will also discuss elements of "intrapreneurship" in an existing business that differs from "entrepreneurship".

### The topics covered in the class will include:

- Characteristics of **successful entrepreneur**
- **Business model canvas** (designing business around technology/market opportunities etc.).
- **Venture strategy:** customer validation, business validation, product development, legal issues, go-to-market approaches and financials.
- **Value chain analysis** to create the best chance for success.
- Importance of **Selecting your team** and your board.
- **Initial financial modeling** and validation.
- **Investor's expectations and Investment process** in your business proposal.
- Early stage **venture evaluation** and **investment decision-making**.
- **Legal aspects** such as Intellectual Property (IP) patenting and licensing, options for the formation of a venture (LLC, S-Corp, C-Corp etc.).

The quarter is divided into three major stages, moving from breadth to depth in the development and evaluation of emerging ventures. There are two parallel learning experiences during the class: (1) developing new ventures and (2) evaluating new ventures for investment. Your ability to evaluate emerging ventures is critical to your ability to develop one and, at the same time, your ability to develop a new venture will affect your ability to evaluate them. ***These two are the most important tools that you will need to pull your thoughts together for a business plan before you start a business and for presentations to acquire funding.***

As stated earlier, each student will begin the class by bringing in one or two potential venture ideas. One can also select a UC Davis or other UC patents to evaluate. On day one, you will form a team of 2-4 students, depending on the class size.

You will also be engaging in an investment exercise that will teach you how to quickly and objectively assess the potential of other teams' ventures (and thus strengthen your ability to evaluate your own). Over the course of the quarter, your team will manage virtual fund and invest in other teams' proposed ventures. The total amount of funds generated by your team's ventures will be a measure of your team's success.

The three major stages are:

**Stage 1.** The students will form teams of 2-4 students, depending on the class size. **Each student** will prepare "**Business Model Canvas**" (grade points) for their proposed venture. Early in the quarter, each student will be asked to summarize their venture and the emerging opportunity **as a two-minute "Elevator Pitch"** (grade points). Following all the presentations, each team will assess all the venture proposal from their own team members and **select one** that they want to take forward for preparing "**10 slide deck**". Each team will **assign responsibility** amongst the team members. They will identify a team leader (CEO), a finance person (CFO), a technology person (CTO) and a marketing person (CMO). Each team will also create a "**Justification Memorandum**" (grade points) to justify the selection of a given venture proposal from their team.

**Stage 2.** Each team will prepare the first "**10 slide deck**" presentation (grade points) and 1-page brochure for the selected venture and make presentation to the class for investment. The non-presenting teams will ask questions for any clarification and provide constructive feedback to improve the presentation. After all the presentations are completed each team will **evaluate the ventures, using "judging Criteria", of the other teams and make 4 investments from the virtual \$100K allocated to each team**. Each team will submit "**Investment Memos**" (grade points) for each of the four investments, stating their rationale for those investments.

**Stage 3.** The teams will give their **final** presentation (grade points), with upgrades from the earlier presentation to the class, in the "**ten slide deck**" format along with 1-page brochure to a jury consisting of outside venture capitalists, angel investors, entrepreneurs, and other well qualified judges. After all the presentations, the Jury will allocate their own virtual investment of \$100K each. The total funds generated by each team, from the class and from the judges, will be used for the bonus point calculation. The team that gathers highest investment gets bonus points.

## Reading Material (TextPak)

**Reading material.** Elsbach, K. How to pitch a Brilliant idea. HBR Onpoint, 76-82, fall 2010.

**Case 1** Title: Boxed

Authors: Laura Huang, Andy Wu and Jiayi Bao

Case # 9-719-496 (Apr 16, 2019)

Obtained from hbsp.harvard.edu

College: Harvard Business School

**Case 2:** Title: MoviePass

Author: Willy Shih

Obtained from hbsp.harvard.edu

Case # 9-619-052, dated July 10, 2019

College: Harvard Business School

**Case 3:** Intrapreneurship @Nokia Software: Instilling culture Change

Obtained from hbsp.harvard.edu

Case # SM-320(A), 03/04/2019

College: Stanford Business School

**Case 4:** Intrapreneurship @Nokia Software: Lessons learned

Obtained from hbsp.harvard.edu

Case # SM-320(B), 03/04/2019

College: Stanford Business School

Also, the following **videos will be discussed. Please plan to view them before the quarter.**

Zipcar CEO video (Scott Griffith) (strategy)

<http://video.cnbc.com/gallery/?video=3000138986&play=1>

Video: Create a Successful Pitch (ask is important)

<https://www.youtube.com/watch?v=tgCszhVUUE&t=184s>

Video: Pitch example, Josh Light, founder of CUP-Ad

<http://www.youtube.com/watch?v=i6O98o2FRHw>

### Expectations before the first class

Think about the venture idea you may be interested in to assess during the class. Submit your introduction and a paragraph on your idea 2 days before the first class.

To learn the concepts of entrepreneurship and venture investment please watch these documentaries. It will help you in class discussions and understanding the concepts. (\* **marked, must watch**)

\*1, Mark Zuckerberg's success factors... <https://www.youtube.com/watch?v=bZuo3KcJfIE>

\*Steve Jobs success factors ... <https://www.youtube.com/watch?v=eHzAtxW3TzY>

\*2, Tesla, Master of lighting, (Scientist need to be business person) Netflix or PBS

3, Steve Jobs, One last thing (and other documentaries) (Amazon Prime) [https://www.amazon.com/Steve-Jobs-One-Last-Thing/dp/B00689OA90/ref=sr\\_1\\_1?s=instant-video&ie=UTF8&qid=1546292149&sr=1-1&key-words=steve+jobs+one+last+thing](https://www.amazon.com/Steve-Jobs-One-Last-Thing/dp/B00689OA90/ref=sr_1_1?s=instant-video&ie=UTF8&qid=1546292149&sr=1-1&key-words=steve+jobs+one+last+thing)

\*5, Something Ventured <https://www.youtube.com/watch?v=QfdUXodNghi>

6, Silicon Valley (Amazon prime) [https://www.amazon.com/Silicon-American-Experience-Randall-MacLowry/dp/B00BD7MBK6/ref=sr\\_1\\_1?s=instant-video&ie=UTF8&qid=1546291923&sr=1-1&keywords=silicon+valley+documentary](https://www.amazon.com/Silicon-American-Experience-Randall-MacLowry/dp/B00BD7MBK6/ref=sr_1_1?s=instant-video&ie=UTF8&qid=1546291923&sr=1-1&keywords=silicon+valley+documentary)

\*7 Theronos <https://www.youtube.com/watch?v=ta1DqI4xDRw> (what not to do as an entrepreneur)

### Grading and Logistics

- 10% Business Model Canvas (thoroughness and quality)
- 10% "Elevator Pitch" (presentations)
- 10% "Justification memorandum" for the selected venture
- 10% for the first "10 slide deck" presentation and brochure (thoroughness and quality)
- 20% for Investment Memos (thoroughness and quality)
- 20% for the final "10 slide deck" and brochure presentation of your business proposal to the judges (content and presentation)
- 10% for class participation (including attendance, tardiness, timeliness, homework submissions, class professionalism and peer input)
- 10% for 2 quizzes during the class (5 points each)
- 5 bonus point for team that attracts "maximum" investment from two rounds

**Absence or partial absence** from the class will impact your grades.

Students are also **encouraged to minimize distractions**. Leaving computers, cell phones (or other electronic devices) on during the class or chatting online or in the class will cause lack of attentiveness and distraction for you and others. Please leave them off, unless it is truly justified.

## Code of academic conduct

The UC Davis Code of Academic Conduct exists to support high standards of behavior and to ensure fair evaluation of student learning. Students who violate the Code of Academic Conduct are subject to disciplinary sanctions that include censure, probation, suspension, deferred separation or dismissal from the University of California. Please review <http://sja.ucdavis.edu/files/cac.pdf>

## Expectations from an "A" grade student

- 100% class presence
- When absent, review the presentations of the missed class(es) and submit a summary within a week
- Active class participation, attentiveness and professionalism
- Follow instructions in completing the assignment
- Submit assignments on or before the due dates
- Demonstrate thoroughness and rigor in completing "Business Model Canvas", "Elevator pitches", "Justification memo", "Investment memos" and "Ten slide deck".
- Conduct quality research to get customer and market insight for their ventures
- Make effective and convincing presentations

## Tentative Course Schedule. *The details might vary based on the availability of speakers*

### Class 1

#### **Course Overview:**

- Introduction
- Starting a new venture, Entrepreneurship
- Entrepreneurship skills
- Syllabus Overview
- Business Model Canvas (break)
- Investment game
- Reporting mechanisms
- Introduction of the students
- **Student activity:** Formation of teams
  - by the end of class: names of 2- 4 members per team (based on class size)
  - Watch the relevant videos for "Success Factor" discussion.

### Class 2

- Teams
- Success factors
- Elevator pitch
- Ten Slide Deck
- Business Model Canvas
- Team activity: Draft Elevator Pitch
- Homework: Submit Business Model Canvas for your business idea.

### Class 3

- Guest Speaker, Perfecting the pitch, what Angel Investor's expect
- Students present Elevator Pitch on their business idea
- Breakout session where each team identifies a Venture for Ten Slide Deck Presentation and defines role of each team member.
- Home work: Each team submits Justification Memo before the next class
  - Read BOXED and MoviePass case from the Textpak

#### **Class 4**

- Venture Strategy: Customer Validation
- Case study discussion
- Team Activity: Conduct market research for the selected venture, gather customer input. Also start gathering information for the “10 slide deck” presentation
- VALIDATE the Projects that you are moving forward with. Ask 10 questions to at least 10 potential buyers of your product or service

#### **Class 5**

- Guest speaker: An Entrepreneur, Value chain analysis
- Venture Strategy: Market/ Business Validation
- Teams UPDATES on the progress towards Market research and creation of the Ten Slide Deck

#### **Class 6**

- Each Team makes the Ten Slide Presentation (with brochure) on their venture (12 min presentation)
- Teams conduct assessment of the ventures and make 4 investments from the virtual \$100K.
- Homework: Teams prepare Investment memos for the 4-5 (will finalize based on # of teams) investments.

#### **Class 7**

- Guest Speaker: “Go-to-market strategy”
- Investment results
- Venture Strategy: Product development
- Homework: Review 2 cases, Intrapreneurship @Nokia Software (TextPak)

#### **Class 8**

- Guest Speaker: Entrepreneur
- Venture Strategy: financial considerations

#### **Class 9**

- Guest Speakers: Legal aspects: Intellectual property, trade secrets and formation of legal entity
- Each team presents financial model and their assumptions and get feedback from the other teams
- Homework: submit final version of the Ten Slide Deck presentation and brochure

#### **Class 10: Final Presentations**

- Final “10 slide deck” presentation (with brochure) of each team’s business proposals to the potential investors
  - 12 min presentation followed by Q&A
  - Feedback from the investors and their investment decisions
- Feedback on the class
- Parting remarks