

# **MGP/T 244 – New Ventures**

UC Davis GSM, M. Lowe, Winter 2014

M. Lowe, Rev 11/03/2013

## **BASIC COURSE INFORMATION**

Room: 2310 Gallagher

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

Instructor: Marc Lowe, BS, MBA

Office: 3315 Gallagher

Office hours: Before class. 5:30pm. Conference calls by appointment.

Phone: 650.283.8100

Email: [mdlowe@ucdavis.edu](mailto:mdlowe@ucdavis.edu), [mdl.praxis@gmail.com](mailto:mdl.praxis@gmail.com)

Required Text: Technology Ventures: From Idea to Enterprise, 3<sup>rd</sup> Edition, Dorf & Byers, McGraw-Hill Irwin, ISBN 978-0-07-338018-6

## **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. In this course we consider the formation of a significant new venture. The course is focused on the development and management of the new business ventures as an entrepreneurial enterprise. We will examine the characteristics of the successful entrepreneur and determine the critical steps in building or acquiring a growth business from startup to revenues of greater than \$10 million in a period of three years or less. Teams will develop a business plan that can be used to obtain the resources to build this business. The proposed new enterprise can be a new venture within an existing firm or the start of a completely new firm. Entrepreneurs build new businesses and create jobs and wealth. This is a course focused on the student participating in the building of the plan for an important new enterprise. A special focus will be on new ventures that create or use a new technology to create significant new value.

## **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-	80% to 82.4%
A-	90% to 94.9%	C+	75% to 79.9%
B+	85% to 89.9%	C	<75%
B	82.5% to 84.9%		

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.	200	4 cases x 50 points per case.  <b>Teams 1-5</b> , write-up 4 cases your team does not facilitate)  <b>Teams A, B, C</b> may choose any four out of five cases to write-up.  You have the option of submitting a quick half-page case summary demonstrating you read the case study. You will receive 42 points.
Team Case Study (Teams 1-5 will facilitate case studies, Team A will present its strategy, Teams B & C will present their financial plans)	100	Team leads 30 minute in-class case discussion and will prepare and submit necessary visual aids and class materials
Business Plan Intermediate Milestones:  a) Team formation b) Business Concept (1-2 page) c) Biz Concept elevator pitch (5-min) d) Business Strategy Summary (3-pgs) e) Financial Model write-up (5-pages)	n/a 25 25 100 150	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 Team Final Business Plan (20 pages)	100 200	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 5 students depending on total enrollment. Teams must be formed by the end of Session #1.

All team written assignments must be submitted in **SOFT COPY BY EMAIL** on the due date. Assignments will be double-spaced with standard 1" margins and 10 or 12 pt font.

- ❖ email softcopy to: Marc Lowe at [mdlowe@ucdavis.edu](mailto:mdlowe@ucdavis.edu), and cc: whole team by beginning of class or on requested due date
- ❖ Use following subject naming convention
  - ❖ 244-[day/wp]-Team[#]- [Assignment]
  - ❖ eg. 244-day-team2-concept

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

1. **Team Case Study Facilitation.**

**TEAMS 1-5** are responsible for leading the discussion of one of the assigned case study. 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 visual aids and presentation 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 take-aways, or general principles that are applicable to other industries, markets, and/or business processes that you have learned from this case.

2. **Strategy & Financial Due Diligence Sessions due during SSN #3 and #6.**

**TEAMS A, B & C** will conduct a 30-minute diligence session of their strategy (team A) or business model (teams B&C) (how the firm will make money) and field questions from the venture capital firm on their company's business model. The focus should be on the financial plan and its viability, NOT on presenting your full business plan. Allocate a few minutes to review your concept, the remainder of the presentation should be focused on telling your company's financial story using the 5-line financial summary chart. What is your revenue model? What level of operating expense investment is required to support your business strategy? When will you breakeven? What is your long-term profitability level?

3. **Business Concept Statement due by email SUNDAY, JAN 19<sup>TH</sup>, 10:00 am.** Each team will submit a written proposal (**two page maximum**). and present a 5-min "elevator pitch" of their business concept in class. The proposal should briefly describe the topic chosen, why you chose it, the customer problem being solved, and how you plan to learn about the subject.
4. **Business Strategy Summary Write-up due by email start of SSN #5.** Each team will submit a written summary of their new venture's business strategy (**3-5 pages desired**) 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.
5. **First-pass Financial Model due by email on SUNDAY, FEB 18, 10:00 am.** Each team will use the financial planning spreadsheet (will be provided) to do a first pass of modeling their business. Mandatory concalls will be scheduled during the week of February 18 to review and critique your first pass submittal in preparation for your business model due diligence session in Session #6.
6. **Financial Model Write-up due by email FRIDAY, FEB 28, 10:00 am.** Each team will submit a complete financial model using the provided business model excel template with a written narrative telling the financial story of their start-up venture (**five pages desired + softcopy spreadsheet**).
7. **Presentation of Business Plan presented during SSN #8 & #9.** Each team is required to give a brief 30-minute presentation of their term business plan to the class. Use effective communication means to convey your message. This will simulate the experience of entrepreneurs presenting their "funding pitches" to investment community for the very first time. The goal of the presentation is to introduce the team and convey sufficient information to the investors to "get to the next step".
8. **Final Business Plan soft-copy due to instructor via email by SUNDAY, MARCH 23<sup>RD</sup>, 10:00 am.** Each team is responsible for submitting a written business plan. The paper should be typewritten, double-spaced, and no more than 25-pages, inclusive of figures, tables, exhibits, and references.

## **INDIVIDUAL GRADED ASSIGNMENTS**

**All written assignments must be submitted in-class in hard copy on the due date. Assignments will be double-spaced with standard 1" margins and 10 or 12 pt font. NO E-MAIL SUBMISSIONS WILL BE ACCEPTED.**

Attendance for the full class period is expected and one class meeting absence is acceptable. Additional absences will penalize your grade.

Full class participation and preparation is required. Assigned items should be studied. 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 page maximum)** for each case. This assignment is individual-based.

Students in Teams 1, 2, 3, 4, 5 will be individually responsible for submitting four (4) case briefs during the quarter. You do not have to prepare an individual write-up for the case facilitated by your team.

Students in Teams A, B, C will also be responsible for submitting four (4) case briefs during the quarter. Because your team is presenting its financial plan you can choose one case study to "skip" – no write-up required.

These briefs should be prepared rigorously. You are required to perform any quantitative analysis where applicable. Each student is expected to be equally familiar with the case content and active in class discussion as the team presenting the comprehensive case analysis in class.

Your case brief analysis (2 page maximum) should contain the following:

1. Identify the key decision(s) and/or issue(s) faced by the case's decision maker
2. Identify key tradeoffs of the alternative approaches
3. Make a RECOMMENDATION or decision(s) SUPPORTED by the facts presented in the case(s)
4. Do NOT regurgitate of the facts of the case.

Each case is worth 50 points. To provide you with an option to manage your time, you have the option to submit a quick half-page summary demonstrating you read the case study and will receive 42 points.

### **2) Final Self-Report and Team Assessment (1-page form due via email to instructor by SUNDAY, MARCH 23<sup>RD</sup>, 10:00 am)**

Each student is required to submit a TEAM ASSESSMENT FORM (to be distributed by instructor) 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-low to 5-high) for each member of your team based on relative contribution.

## MGP 244 CLASS SCHEDULE

M. Lowe, Winter 2013

Ssn	Date	Topics	Reading	Assignment	Guest
1	Monday, Jan 6	The Entrepreneur Opportunity  Sources of Capital	Chapter 1, 2  18	Teams formed	
2	Monday, Jan 13	Competitive Advantage  Strategy Development	3	<b>5 min “elevator pitch”</b>  Case #1 prep: Yahoo! (textbook)	
	<b>Sunday, Jan 19  10:00 am</b>	<b>MLK Day</b>		<b>Team Business Concept (2 pages)</b>  Concall for biz strategy coaching	
3	Monday, Jan 27	Strategy Development Innovation	4	Case #2 prep: Nanogene (textpak)  <b>Strategy diligence session (Team A)</b>	
4	Monday, Feb 3	Business Models  Financial Planning	5 Magretta  17	<b>5-7 page strategy paper</b>	
5	Monday, Feb 10	Go-to-Market Strategy, Sales & Marketing  Global Business	11  15	Case #3 prep: Aegis Analytical (handout)	<b>Adam Pettler</b> Founder Revolights
	<b>Sunday, Feb 16  10:00 am</b>	<b>President's Day</b>		<b>1<sup>st</sup> pass financial plan spreadsheet</b>  Concall to discuss 1 <sup>st</sup> pass spreadsheet	
6	Monday, Feb 24	Venture Risk Harvest, M&A	6  8	<b>Financial Plan diligence sessions (Teams B &amp; C)</b>	
	<b>Friday, Feb 28 10:00 am</b>			<b>Final Financial Plan due (7-10 pages + spreadsheet)</b>	
7	Monday, Mar 3	The Deal, Negotiating & Pitching  The Business Plan	19  7	Case #4 prep: Solidworks (textbook)	<b>David Ezequelle</b> Venture Partner Alloy Ventures
8	Monday, Mar 10	Leading New Venture Corporate Ventures	16	Case #5 prep: BioTransplant Inc.	

		12, 20	(IPO exit) (textpak)
Team Presentation (2)			
9	Monday, Mar 17	Team Presentation (6)	All teams present final biz plan (30 min incl. Q&A)
<b>SUNDAY, Mar 23, 10:00 am</b>		<b>Final Business Plan &amp; Team Assessment Due by email</b>	

\*Business Planning CONCALL appointments can be reserved at [www.gmail.com](http://www.gmail.com)

- Log-in User Name: mdlowe.ucdavis
- Log-in Password: 244concalls

CONFERENCE CALL DIAL-IN INFO  
(530) 881-1200  
pc: 143769#

#### MGPT 244 TEAM ASSIGNMENT SCHEDULE M. Lowe, Winter 2014

Fir m	Team Case	Team Case/ Pres o Date	5-min Elevator Pitch	2-page Concept Summary	Biz Strat Paper	Financ'l Plan Paper	Biz Plan Preso	Final Biz Plan*
1	Yahoo!	Ssn #2	Ssn #2	SUN, 1/19	Ssn #4	FRI, 2/28	Ssn 8/9	SUN, 3/23
2	nanogene	Ssn #3	Ssn #2	SUN, 1/19	Ssn #4	FRI, 2/28	Ssn 8/9	SUN, 3/23
3	aegis	Ssn #5	Ssn #2	SUN, 1/19	Ssn #4	FRI, 2/28	Ssn 8/9	SUN, 3/23
4	solidworks	Ssn #7	Ssn #2	SUN, 1/19	Ssn #4	FRI, 2/28	Ssn 8/9	SUN, 3/23
5	Biotransplt	Ssn #8	Ssn #2	SUN, 1/19	Ssn #4	FRI, 2/28	Ssn 8/9	SUN, 3/23
A	STRATEGY	Ssn #3	Ssn #2	SUN, 1/19	Ssn #4	FRI, 2/28	Ssn 8/9	SUN, 3/23
B	FIN PLAN	Ssn #6	Ssn #2	SUN, 1/19	Ssn #4	FRI, 2/28	Ssn 8/9	SUN, 3/23
C	FIN PLAN	Ssn #6	Ssn #2	SUN, 1/19	Ssn #4	FRI, 2/28	Ssn 8/9	SUN, 3/23

★ SOFT COPY of Final Business Plan must be emailed to [mdl.praxis@gmail.com](mailto:mdl.praxis@gmail.com) and received **NO LATER THAN SUNDAY, MARCH 23<sup>RD</sup>, 10:00 am.**

**MGPT244 TEAM ROSTER**

<b>FIRM #</b>	<b>Team Roster</b>	<b>Company Name</b>	<b>Business concept</b>
<b>1</b>			
<b>2</b>			
<b>3</b>			
<b>4</b>			
<b>5</b>			
<b>A</b>			
<b>B</b>			
<b>C</b>			