

## **MGB 244 – New Ventures**

UC Davis GSM, Summer 2013

M. Lowe, Rev 5/6/2013

June 21, July 5, 19, Aug 2, 16

### **BASIC COURSE INFORMATION**

Location: Bishop Ranch 15, Room TBD

Class Meets: Friday 2:00-5:00 pm, 6:00-9:00 pm

Marc Lowe, BS, MBA

Email | [mdlowe@ucdavis.edu](mailto:mdlowe@ucdavis.edu)

Mobile | 650.283.8100

Concall | 530.881.1200 pc: 143769#

Skype | marclowe55

goog + | [mdl.praxis@gmail.com](mailto:mdl.praxis@gmail.com)

Required Text: Technology Ventures: From Idea to Enterprise, 3<sup>rd</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. 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	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.	200	4 cases x 50 points per case. (4 remaining cases for teams presenting a team cases; <b>choice of four out of five cases</b> for teams presenting biz strat or financial plan in-class)
In-class Team Facilitations		
Case Study Facilitation (Five teams will present cases – Teams 1 thru 5)	100	Team leads 45 minute in-class case discussion or presents its business strategy or financial model.
Biz Strategy or Financial Model preso (30-min) (teams <b>NOT</b> facilitating case – A thru D)	100	Teams will submit any presentations materials for evaluation
Biz Plan Intermediate Milestones/Deliverables:		
a) Team formation	n/a	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.
b) Business Concept (1-2 page)	25	
c) Biz Concept elevator pitch (10-min)	25	
d) Business Strategy Summary (3-pgs)	100	
e) Financial Model write-up (5-pages)	150	
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 (25 pages)	200	
Total Possible Score	1,000	

## TEAM GRADED ASSIGNMENTS

Teams will consist of teams of 4-6 students depending on total enrollment. **Teams should be formed BEFORE Session #1.**

All written assignments must be submitted in-class in hard copy and by email on the due date. Assignments will be 1.5-spaced with standard 1" margins and 10 or 12 pt font.

**DUE DATES** for team assignments in 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 take-aways, or general principles that are applicable to other industries, markets, and/or business processes that you have learned from this case.

Teams A, B, C, and D will present either their firm's business strategy or financial plan to the class in lieu of facilitating a case study. See below.

2. **Business Concept Statement.** Each team will submit a written one-page proposal (**two 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 (**5-7 pages maximum**) 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. In addition, Team A & B will present a summary of its Business Strategy for the class' scrutiny.
4. **First-pass Financial Model.** Each team will use the financial planning spreadsheet (on smartsite) 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 Write-up.** Each team will submit a complete financial model using the provided business model excel template with a written narrative describing the firm's business model and summarizing the "financial story" of their start-up venture (**7-10 pages max + softcopy spreadsheet**). In addition, Team C & D will present a summary of its Financial Plan for the class' scrutiny.
6. **Business Plan Presentation.** 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”.

7. **FIINAL Business Plan.** Each team is responsible for submitting a written business plan. The paper should be typewritten, double-spaced, and no more than 25-pages, NOT including appendices: 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 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 four (4) case 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 facilitating a case study in class will be responsible for individual write-ups of the remaining four cases. No write-up is required for the team case.**

**Students in Teams A through D will be responsible for individual write-ups for any four of the five 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=42. You may elect to choose this option for any or all of your individual case study write-ups
- ❖ **MY GIFT TO YOU.** I will automatically replace the lowest grade you receive on an individual paper with the highest grade you received on an individual paper during the quarter. **FOUR PAPERS MUST BE SUBMITTED FOR THE GIFT TO APPLY**, eg. 4 graded papers, 3 graded – 1 pass, 4 passes, etc.

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. 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.

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

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.

### MGB 244 CLASS SCHEDULE

M. Lowe, Summer 2013

Ssn	Date	Topics	Dorf/Byers	Assignment	Guest
1	Friday, 6/21	The Entrepreneur Opportunity	Chapter 1, 2	Teams formed Work on biz concept	
2	Friday, 6/21	Competitive Advantage, Strategy Development	3,4	5 min "elevator pitch" presented	
				<b>Team Business Concept (1-pg) due by email</b>	
				20-min concall with Marc to discuss concept feedback	
3	Friday, 7/5	Biz Model Formulation	6, 9, 18 Magretta (textpak)	Case #1 prep: Nanongene (textpak) Sample Business Strategy preso (Team A & B)	<b>Sean George</b> Founder + CEO, Locus Development
4	Friday, 7/5	Financial Plan, Sources of Capital Innovation, Knowledge	16, 17	Case #2 prep: Yahoo! 1995 (textbook)	
				<b>Business Strategy Summary due by email</b>	

<b>THURSDAY, JULY 18, 9AM</b>				<b>First-pass Financial Model due by email</b>	
5	Friday, 7/19	Legal Considerations Financial Plan, Part 2 Global Business & Corporate Ventures	10, 11, 15	Sample Financial Plan (Team #C & D)	<b>Russ Yoshinaka</b> SVP Corp Dev & General Counsel, Zoom Systems
6	Friday, 7/19	Risk and Return Sales & Marketing, Go-To- Market Strat	8	Case #3 prep: Aegis (handout)	
	Thurs, 7/22 thru Sun, 7/25	Financial Plan CONCALL*		30-min concall with Marc to review 1 <sup>st</sup> pass financial model.	
7	Friday, 8/2	Go-to-Mkt Strategy Presenting the Plan Negotiating The Deal	7, 19	Case #4 prep: SolidWork (textbook)	<b>Dado Banatao</b> Managing Partner Tallwood Ventures
8	Friday, 8/2	The Business Plan Harvest, Mergers & Acquisitions	15, 16	Case #5 prep: BioTransplant Inc.: IPO (textpak)	
<b>TUESDAY, AUG 7, 9AM</b>				<b>Team Financial Plan/Business Model Paper due by email</b>	
9	Friday, 8/16	Execution, Resources, Organization Final Pitch (4 Teams)	12, 20		<b>Adam Pettler</b> RevoLights
10	Friday, 8/16	Final Pitch (5 Teams)			
<b>SUNDAY 8/25, 9AM</b>		<b>Final Biz Plan in SOFT COPY (doc, docx) and Exec Summ pdf due by email</b>		<b>Team Assessment recv'd due by email</b>	

\*Business Planning CONCALL appointments can be reserved at <https://www.google.com/calendar>

Log-in User Name: mdlowe.ucdavis

Log-in Password: 244concalls

**MGB 244 TEAM BUSINESS CONCEPTS & ROSTER**

M. Lowe, Summer 2013

<b>TEAM</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>			
<b>D</b>			

## MGB 244 TEAM ASSIGNMENT SCHEDULE

M. Lowe, Summer 2013

Team	Case Study	Case Study Preso	Elevator Pitch	Biz Concept Paper	Biz Strategy Paper	Biz Model Paper	Biz Plan Preso	Email Soft copy B-Plan
1	Nanogene	Ssn # 3	Ssn #2	email 6/25	email 7/10	email 8/7	Ssn 9/10	SUNDAY, 8/25*
2	Yahoo	Ssn # 4	Ssn #2	email 6/25	email 7/10	email 8/7	Ssn 9/10	SUNDAY, 8/25*
3	Aegis	Ssn # 5	Ssn #2	email 6/25	email 7/10	email 8/7	Ssn 9/10	SUNDAY, 8/25*
4	Solidwork	Ssn # 7	Ssn #2	email 6/25	email 7/10	email 8/7	Ssn 9/10	SUNDAY, 8/25*
5	BioTranspl	Ssn # 8	Ssn #2	email 6/25	email 7/10	email 8/7	Ssn 9/10	SUNDAY, 8/25*
A	Biz Strat	Ssn # 3	Ssn #2	email 6/25	email 7/10	email 8/7	Ssn 9/10	SUNDAY, 8/25*
B	Biz Strat	Ssn # 3	Ssn #2	email 6/25	email 7/10	email 8/7	Ssn 9/10	SUNDAY, 8/25*
C	Fin'l Plan	Ssn # 5	Ssn #2	email 6/25	email 7/10	email 8/7	Ssn 9/10	SUNDAY, 8/25*
D	Fin'l Plan	Ssn # 5	Ssn #2	email 6/25	email 7/10	email 8/7	Ssn 9/10	SUNDAY, 8/25*

★ **Team/Self-Assessment Evaluation Form due by email SUNDAY, 8/25, 9AM. Instructions will be discussed in class.**

Each student may submit 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.

### Case Study List

Nanogene (venture/team formation) - texpak  
Yahoo (early stage funding) – textbook  
Vinod Khosla & Sun (business strategy & planning) - texpak  
Aegis analytical (strategic alliances) - pdf  
Yahoo Merchants (marketing strategy) - texpak  
Sirtris (strategy) – textbook  
BioTransplant Inc.: IPO January 1996 (IPO exit)