FUNDAMENTALS OF ENTREPRENEURIAL MANAGEMENT
COURSE OUTLINE

1. Introduction

“Fundamentals of Entrepreneurial Management” is an integrative capstone course in entrepreneurship. It is based on the insight that in today’s business environment entrepreneurial management skills are key for general managers and entrepreneurs alike. The course introduces cutting-edge material - tools, frameworks, perspectives - that allow you to acquire the basics of entrepreneurial management. At the same time, the course encourages you to adopt a holistic perspective on building new businesses, and it asks you to synthesize and apply what you have learned so far in the program.

2. Objectives

The course pursues two main objectives. First, it aims at enabling you to turn an idea into a revenue-generating business, in various contexts: for example, in a corporate setting, family business, or start up. As such, the course is likely to offer you valuable guidance and management tools for your future careers as business leaders. Second, the course addresses your potential concerns and doubts about whether you “have what it takes” to be an entrepreneur. We do this by opening up the “black box” of entrepreneurship, and by making the process clear and understandable.

3. Learning Outcomes

- Generate and evaluate ideas for new business ventures
- Develop such ideas into business concepts
- Design a value-creating business model
- Determine the appropriate type of venture for the new business
- Select and apply the optimal mode for implementing the new venture
- Anticipate key resource constraints when launching new ventures
- Stage business-building actions in a smart way
- Prioritize and test key assumptions for new business initiatives
- Leverage symbols to acquire resources
- Present your ideas for new business ventures in an effective manner to others
4. Competences

The course fosters valuable general competencies for the general manager such as holistic thinking and the ability to synthesize and put things together to create a new business. It allows students to apply functional skills learnt in earlier MBA classes (e.g. finance or operations) in the context of a new venture. At the same time it builds the following specific competencies that are important for entrepreneurial managers:

- Determine whether and what kind of an entrepreneurial career fits your own career ambitions
- Understand the process of building a new business, and avoid its traps and pitfalls
- Know the sources of ideas for new ventures and what is necessary to transform these ideas into actual business opportunities
- Increase the confidence that you can build new businesses in a variety of contexts
- Know when and how to apply various tools and techniques such as business planning and business modeling that allow you to conceptualize your new business effectively
- Master techniques that help you manage the high risk and uncertainty characteristic of the business-building process
- Sell your idea (the dream of the new business) to others, so that you will receive the necessary support and resources, to increase your chances of being successful

5. Content

This course has three central themes: (1) What makes an entrepreneur and how entrepreneurs behave, (2) how entrepreneurs conceptualize new businesses, and (3) how they implement these businesses, for example, by gathering and managing the necessary resources.

The course is designed, accordingly, in three modules:

- **Module 1 Adopting an Entrepreneurial Mindset.** The sessions in this module explore the entrepreneur’s behaviour, the nature of business opportunities and the process of building a business.

- **Module 2 Conceptualizing New Businesses.** The sessions in this module introduce a series of frameworks and tools to help in the design, evaluation and planning of new ventures.

- **Module 3 Taking Action: Acquiring and Managing Resources & Engaging In Entrepreneurial Careers.** An entrepreneur’s fundamental challenge in implementing a new business is to identify, acquire, and manage necessary resources in order to “create something from nothing. In the sessions in this module, we will discuss this key challenge. We will also discuss the different career paths which offer you opportunities to apply and benefit from entrepreneurial management and leadership skills.
6. Methodology

The primary course material will be a series of cases illustrating the different aspects of the entrepreneurial process. You will be also provided with supplementary readings, exercises and lectures that will introduce, explain and illustrate useful concepts and frameworks. Finally, we will have also the opportunity to share experiences and discuss with distinguished entrepreneurs.

7. Evaluation

Grading is based on contribution to class learning (60%), class assignments (15%) and a final group exam (25%).

Contribution to class learning will be determined by active participation in class discussions and your ability to demonstrate that you have prepared the materials assigned to a particular class, both in terms of quality and quantity.

During the course there will be a series of class assignments to support class discussions. The final exam will be a group assignment. Details will be announced in class.

8. Course Outline & Bibliography

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(Note: Cases and assignments are mandatory, except for Session 11, the other readings are optional)

Module 1: Adopting An Entrepreneurial Mindset
The entrepreneurial manager; the nature of opportunities and the process of building businesses.

Session 1 Can You Be An Entrepreneur? What Makes A Business Opportunity?
Assignment: For today’s class preparation please identify at least one team member who has had some entrepreneurial experience - e.g., in a startup, as part of a corporate venture, management buyout, family firm, etc. Interview your fellow entrepreneurial team member(s) about these experiences. Summarize your interview on one ppt slide (bullets possible). Upload the slides to IESE Virtual Campus by 11.59 PM the day before this session. Some possible questions to guide the discussion are as follows:
1. Why did you pursue the entrepreneurial episode in your career?
2. What was the opportunity, and how did it come about (e.g., luck, foresight, discovery, etc.)?
3. What were your challenges, and how did you address them?

Case: Luis Canto (A). Note: The case will be used for illustrative purposes only, not for a full-blown case discussion.
Case Discussion Questions:
1. Which opportunity would you favor, and why?
2. What qualifies Luis as an entrepreneur? Has he made the right choice for himself?


Session 2 The Process Of Building A Business

Case: FrogPubs (A)
Case Discussion Questions:
1. What advice would you give Paul and Thor? Specifically, should they admit failure now, and look for a “real” job?
2. What is the flaw in their plan that is preventing them from launching a business? How serious is it, and how could it be overcome?
3. How would you assess their partnership? Are they the right team for the opportunity?


Class Handouts: FrogPubs (B)

Module 2: Conceptualizing New Businesses

Frameworks & tools to help in the design, evaluation & implementation of new business opportunities.

Session 3 From Idea To Business Model

Assignment: In your team, design a business model for commercializing the technology developed by FrictionLess. Use the Business Model Design Manual as a guide. Each team needs to submit two powerpoint slides before the class: One with a graphical depiction of the new business model, and one in which you describe it and justify your choice. Come to class prepared to present your results. Upload the slides to IESE Virtual Campus by 9 PM on the day before this session.
Case: FrictionLess (A)

Case Discussion Questions:
1. Put yourself in the shoes of the venture capital investor, Amir Guttman: would you invest?
2. What are the major uncertainties here?
3. What business model should FrictionLess adopt?
4. What industry should frictionless target?

(3) Business Model Design Manual.

Session 4  Venturing Through Innovating The Business Model

Assignment: With your team, identify one interesting firm deploying a new business model and come to class prepared to pitch it in three minutes. Upload on IESE Virtual Campus one page summary of the following points by 9 PM on the day before of this session:
1. What are the distinctive features of the business model?
2. What need(s) does it address for customers and other stakeholders?


Session 5  Discovery-Driven Planning

Case: MarketWatch On-line

Case Discussion Questions:
1. As consultants to this corporate venture, how would you prepare a “first cut” Discovery Driven Plan to help the management team?
2. Identify places where you think the team has been unrealistic or left out something important.
3. Which assumptions do you think should be tested at which milestones?


Session 6  Crafting A Winning Business Plan

Case: Zenmail
Case Discussion Questions:
1. Using the “Business Plan Checklist,” evaluate the business plan: what are its strengths and weaknesses?
2. How could the business plan be improved?
3. If you were asked for money, would you invest in this venture?
(2) “Guide To Producing A Business Plan”. Ernst & Young, 1996.

Session 7 Modes Of Venturing

Cases: Zaplet, Inc. (A) & “Start with Nothing” (Inc. Magazine, February 2001)
Case Discussion Questions:
1. Vinod Khosla, a very prestigious and experienced venture capitalist, spent a lot of time and energy mentoring the Zaplet founders. What do you think of the way Kosla shaped the development of the venture? Was this beneficial to the founders?
2. Contrast the implementation at Zaplet, Inc. and RightNow Technologies. What are the main differences? Which one do you prefer and why/when?


Module 3: Taking Action: Managing Resources & Engaging In Entrepreneurial Careers

Acquisition of resources (human capital, finance, customers), venture capital. Entrepreneurial career paths.

Session 8 Raising Venture Capital

Case: None. Guest speaker and discussion.

Session 9 Mobilizing Resources For The Venture

Case: None. In-class exercise.

Session 10 Venturing In Emerging Markets

Case: GK: Building Businesses In India
Readings: “Myths and Realities of Being an Entrepreneur in India” Knowledge @ Wharton. July, 2010
Case Discussion Questions:
1. Which one of the three ventures do you find most interesting, and why?
2. How is starting a new business in India different from doing so in Spain or in the United States?
3. What are the main issues in each case, and how would you solve them?

Session 11 Paths To Entrepreneurship

Optional assignment:
   Reflection on the following questions:
   1. What kind of entrepreneur would I want to / could I be?
2. How will my life and career be if I become an entrepreneurial manager?
3. What key question would I want to ask an entrepreneur?

Case: None. Panel discussion.

Session 12 Starting Your Entrepreneurial Journey

Case: None. We’ll wrap up the course by doing an exercise in-class.