

WAKE FOREST UNIVERSITY
Calloway School of Business and Accountancy
ACC 781 –Accounting and Financial Management for Entrepreneurs
Spring 2006

PROFESSOR

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OFFICE HOURS

tba

OVERVIEW OF COURSE

At an early stage, entrepreneurs discover that they need to tell the financial aspect of their story and be able to communicate this story using standard accounting language. The model for telling the story is a business plan. This course focuses on critical accounting and financial management issues within the business plan such as cash flow planning, measuring market potential, financial statement projections, and identifying capital needs.

The course will require students to employ concepts and tools developed in the business curriculum (cash flow, financial statements, contribution margins, cost of capital, etc.). However, the framework developed in the course will be equally applicable to support all types of entrepreneurial activities including social, public policy, educational, and other forms of “not-for-profit” initiatives

RELATION TO ENTREPRENEURIAL ACTIVITIES ON CAMPUS

The focus of most entrepreneurial initiatives on campus seems to be the value creation aspect of entrepreneurship – identifying a need and creating a solution. However, evidence suggests that the survival rate for entrepreneurial ventures is low. What seems to be missing from the process is a focus on how to sustain value once it is created. Long-term survival of an entrepreneurial activity requires capital, usually in amounts well beyond the resources of the individual entrepreneur. The primary purpose of this course is to enable students to identify the amounts and types of capital needed to sustain value created by entrepreneurial activities. A significant portion of the course will be based on field work, including providing consulting expertise to student and faculty entrepreneurs across campus. One outcome of the course is to prepare students to be business plan consultants or to serve as CFOs for startups on campus (and after graduation).

TEXTS

- *The Art of the Start*, Guy Kawasaki, Penguin Books, 2004.
- *Entrepreneurial Financial Management*, Cornwall, Vang, and Hartman, Pearson Prentice Hall, 2004.
- *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Dees, Emerson, and Economy, Wiley, 2001.

COURSE WEB SITE

You can find information about the course at <http://courseinfo.wfu.edu>. Follow these steps:

- Login with your username and password.
- Click on the “Courses” tab.
- Using the search function, insert course code **s2006_acc781**
- Click on the enroll button for **s2006_acc781** and proceed as instructed.
- You are now enrolled and can access information about the course. As we progress through the semester, you will find lecture notes and other materials under “Course Documents”.

OBJECTIVES

- To identify critical accounting and financial management issues for entrepreneurs
- To learn how to prepare the financial aspects of a business plan
- To identify the amounts and types of capital needed to sustain entrepreneurial value
- To apply course concepts and tools in the field by supporting entrepreneurial activities on campus

KEY TOPICS

- Understanding a basic framework for entrepreneurship
 - A typical entrepreneurial life cycle
- How to prepare and use financial projections to support a business plan
- What can we learn from preparing the business plan?
- Attracting capital resources
 - How much?
 - What types? (financial, intellectual, political)
 - For how long?

ASSIGNMENTS and GRADING

The main assignment is a field-based project helping an entrepreneur prepare and evaluate the financial dimension of the entrepreneur’s business plan. Each student will attach him/herself to one of the various entrepreneurial activities on campus. The plan will be used as the basis for a presentation by the entrepreneur to the class – with your assistance – including a specific pitch for capital. The focus of the presentation will be on “the numbers” aspect of the plan and how well it supports a request for capital.

Your classmates and others in the audience will act as a panel of venture capitalists. The panel will give feedback on the business plan and recommendations on how and

where to obtain capital. In short, this project provides students in the class an opportunity to help create an entrepreneurial business plan, and it offers entrepreneurs a forum to practice presenting and to get feedback on their plans.

TEACHING METHODS

This course is structured as a graduate seminar. As such, our class time will consist of discussion of issues, problem-solving, and presentations. I will act as seminar leader and discussion facilitator. However, **students are expected to participate in and contribute to the learning process!**

GRADING

Points are allocated as follows:

	<u>points</u>
Problems	100
Class participation	100
Field project	<u>200</u>
total possible	400

ACADEMIC INTEGRITY

Students are expected to conduct themselves in a manner consistent with the University's Honor Code. Violations of those standards will not be tolerated and can result in dismissal from the University. If you are unsure if something is a violation, ASK!

FOOD AND BEVERAGES IN CLASSROOM

The faculty of the Calloway school is very proud of our new home in Kirby Hall. The quality of the facility reflects years of hard work and the financial support of the University and many Calloway alumni and friends. We need your help keeping our new home looking new. As is the case in other classroom buildings on campus, the policy in Kirby Hall is that food and beverages are not to be brought into the classroom. The only exception is drinking water. Please do not disrupt our class time by bringing food and beverages to class.

ACC 781: CLASS SCHEDULE

Class	Topic	Reading assignment
1	Framework for entrepreneurial activities (commercial, social, political, etc.)	Kawasaki – read before first day of class D-E-E – chapters 1-5
2	Elements of a business plan	D-E-E – chapters 7-10 Aqualutions Case
3	Projecting cash flows and financial statements, measuring market potential	C-V-H – chapters 4,5,6
4	Identifying capital requirements	C-V-H – chapters 8-12
5-10	<i>No class meetings</i>	Field Project: 1. Meet with and assist entrepreneurs with preparation of business plan 2. Submit progress reports as specified in guidelines
11-13	Business plan presentations	In-class
14	Summary and review	Field project reports due

OUTLINE OF CLASS TOPICS

- Overview
 - Framework of entrepreneurial activities
 - Commercial, social, political entrepreneurship
 - Life cycle of activity
 - Idea, value creation, attracting capital, transition and exit
 - Sustaining entrepreneurial value
 - Cases: why do only a few survive?

- The business plan
 - What we learn from preparing it?
 - The “acid test” for our idea
 - Identifying needed resources
 - Building a team
 - Financial projections
 - Cash flow
 - Profit/loss
 - Balance sheet
 - Need for capital
 - What types? (financial, intellectual, political)
 - How much?
 - Where can I get it?
 - How long do I need it?
 - What am I willing to give up in order to get it?
 - How do I ask for it (the “pitch”)?

- Field work: Adopting an entrepreneurial activity on campus
 - Conducting a field interview
 - Offering to consult/advise an activity in development
 - Helping to write its business plan
 - Helping prepare and present its “pitch” for capital
 - Activity locations:
 - Entrepreneurial courses in the College
 - Center for Entrepreneurship (Calloway)
 - Babcock center