

# **ESE 101 / BUS 113: Foundations of Entrepreneurship**

## **COURSE SYLLABUS**

### *Fall 2007*

**Instructor: J. Bren Varner**  
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**Office Hours: T/Th 4:15-5:15 & by appointment**

**CLASS MEETING**      Tuesday and Thursday, 3:00 – 4:15 p.m., Room 117 Kirby Hall  
Occasionally, we may meet outside of class for a speaker or special event in lieu of the regularly scheduled class.

#### **COURSE OVERVIEW**

This survey-level course will explore the process of entrepreneurship through a liberal arts lens. Readings and cases from a variety of disciplines will be used in class and you will be encouraged to evaluate problems and explore solutions using a cross-disciplinary approach. This class is designed to give you exposure to basic entrepreneurial and business skills in a format that encourages dialogue, develops critical thinking skills, and promotes self-awareness and personal development. You will explore the impact of entrepreneurship and social entrepreneurship on society and consider your own personal and civic responsibility within this environment. The class will also encourage you to creatively embrace new ideas, critically evaluate opportunities, marshal resources, and actively manage new ventures.

For the purposes of this course, entrepreneurship will be defined as:

*A process through which individuals and groups pursue opportunity, leverage resources, and initiate change to create value. Thus, an entrepreneur is one who creates and manages change by pursuing opportunity, acting with passion for a purpose, living proactively, and leveraging resources to create value.*

We will spend the semester exploring the definition of entrepreneurship and the process and principles behind that definition. We will explore the theoretical underpinnings of the field of entrepreneurship and you will gain exposure to basic business and entrepreneurial principles. This is not a course consisting solely of the “nuts and bolts” of how to start your own business or entrepreneurial venture. My hope is that the resources provided in this course, along with your own personal reflection on the concepts, principles, and topics discussed might lead to the recognition of opportunity and the launch of future ventures.

#### **COURSE GOALS**

- Offer a survey-level course that will examine entrepreneurship and liberal arts as mutually reinforcing concepts
- Provide a basic understanding of entrepreneurship, the entrepreneurial process, and basic business concepts
- Encourage entrepreneurship and active participation in new venture creation
- Facilitate access to resources at the university and off-campus that will enhance the entrepreneurial learning experience
- Provide inspirational role models through guest speakers, articles, and case studies
- Use case method to encourage class discussion, exchange of ideas, and practical application of business/entrepreneurial concepts within the liberal arts environment

**TEXTBOOKS AND READINGS**

Barringer & Ireland. Entrepreneurship – Successfully Launching New Ventures, Pearson Prentice Hall, Upper Saddle River, NJ. © 2006. ISBN: 0-13-061855-1  
(Required – available at University Bookstore)

Lusk & Harrison. The Mouse Driver Chronicles, Perseus Publishing ©2003. ISBN: 0738208019  
(Required – available at University Bookstore)

Course Pack – with business cases to be used in class discussions  
(Required – available at University Bookstore)

Additional readings and assignments will be posted on Blackboard or available on reserve in the library.

**PERFORMANCE EVALUATION**

Every great entrepreneurial venture requires a tremendous amount of commitment, thought, and excellence in order to succeed. This class should be treated with the same level of dedication as your own entrepreneurial venture. I encourage all of you to strive for an A.

You will be evaluated on a combination of individual and group performance. Your individual performance will be based on a number of in-class and out-of-class assignments. Your group performance will be evaluated through an end-of-semester group project and will include an evaluation by me and by your teammates.

Grades for this class will be based on the following classifications:

- A Exceptionally high achievement
- B Superior
- C Satisfactory
- D Passing but unsatisfactory

**Grading Scale**

A	93-100	C+	77-79	D-	60-62
A-	90-92	C	73-76	F	<60
B+	87-89	C-	70-72		
B	83-86	D+	67-69		
B-	80-82	D	63-66		

**Guidelines for written work:**

Effective communication is an integral part of entrepreneurial management. For the purposes of this class, all written work must be on standard 8.5” x 11” paper, with 1-inch margins on all sides. Failure to submit written work in this required format will negatively impact your grade. Your ability to present a clear, succinct, and effective message will positively impact your evaluation. **Submissions are not accepted late.** You should submit work early if you will know you will not be present for a class meeting.

You may work with other classmates to discuss the individual case write-ups. However, you are expected to each turn in your own, unique written work. A reminder that the Wake Forest Honor Code applies to all work completed in this class.

**ATTENDANCE POLICY**

As an entrepreneur, you have to show up to seize the opportunity, pitch your idea, make the sale, or close the deal. Your attendance in class is critical to your entrepreneurial training and your grade. Any absences from class have the potential to negatively impact your class participation grade – if you aren’t in class, you can’t participate. You are allowed only two absences this semester – either excused or unexcused. For each absence over two, your participation grade will be lowered by a full letter grade. If you have to miss a class meeting, please let me know ahead of time.

## **COURSE METHOD**

This course will be taught using a combination of mini-lectures and class discussions centered around case studies. 'Cases' are readings or narratives that describe either a "real-world" or fictional example of an entrepreneur and their journey with the entrepreneurial process and new venture creation. The value of this type of student-centered learning depends on every member of the class coming to each class session prepared and willing to contribute to the class discussion. Please DO NOT discuss case studies with individuals who have previously taken the class and DO NOT do any additional outside research on the Internet or through other resources. You should evaluate the situation based only on the information that is presented to you in the case. Detailed information on how to read and prepare a case study will be distributed at a latter date.

## **ASSIGNMENTS**

Assignments for the semester and grade allocation are as follows:

<b>Assignment</b>	<b>Individual/Group</b>	<b>Percentage</b>
Entrepreneurial Insight Presentations	Individual	5%
Quizzes (4, dropping the lowest grade)	Individual	15%
Mid-term Exam	Individual	20%
New Venture Project	Group	20%
Final Exam	Individual	25%
Class Participation	Individual	15%

### Entrepreneurial Insight Presentations

In class on September 18 or 20, you will be required to deliver a five minute presentation on an entrepreneurial venture of your choice. This presentation should include a description of the venture, the industry in which it operates, as well as a snapshot of the entrepreneur driving the venture.

In addition to presenting the above elements, you should offer some analysis about this venture. Such insights might include:

- Predictions about the venture's success.
- Suitability as a potential employer.
- Product line extension or expansion opportunities.
- Exit options (mergers, acquisitions, or public offerings of equity/stock).

The goal of this exercise is to introduce entrepreneurs and their ventures to the class and to demonstrate your command of the entrepreneurial mindset and venture. In addition to the substantive portions of your presentations, you will also be evaluated on your presentation style – a very valuable asset in the workplace. Additional details about this assignment will be distributed in class. The Entrepreneurial Insight Presentations will count 5% of your final grade.

### Quizzes

Experiencing an informative and effective class session requires that you come to class prepared and ready to participate. Quizzes and case discussion questions will help to gage your preparation for class. Quizzes will be given periodically throughout the semester and will evaluate your understanding of the reading for that class session and your comprehension of material covered in previous class sessions. Four quizzes will be given this semester, with the lowest grade being dropped. Quizzes will count for 15% of your final grade.

Mid-Term and Final Exams – The mid-term exam will count for 20% of your final grade and the final exam will count for 25% of your final grade. Each exam will use essays and an analysis of an entrepreneurial case to judge your comprehension of the course material. The mid-term will be given during the scheduled class meeting on Tuesday, October 16, 2007. The final will be scheduled during finals week. No alternative times or make-up exams will be given. You must be present on the assigned days in order to complete your examination.

New Venture Simulation – This project is designed to simulate the actual creation of a new venture. You will be paired in a group with several other students and asked to identify an opportunity of interest to your group. You will write a brief “concept plan” and will pitch the idea to potential investors. You will then be required to operate your venture during a scheduled class meeting and will be expected to sell a product, provide a service, or meet a specific societal need. Ventures may be either for-profit or not-for-profit. Graded components of this assignment will include:

- Concept Plan
- Investor Pitch
- Operating Performance & Returns
- Investor Presentation
- Teammate Evaluation

The point of this exercise is not to create sustainable enterprises, but rather to simulate the entire entrepreneurial process through relatively elementary business ventures. Specifics about this project will be distributed at a later date

Class Participation – Your participation in class is critical to comprehending and practicing the theories and skills covered in this course. Your class participation will be 15% of your final grade and will depend on the following components:

- In-class discussion – This includes participating in class discussions of topics and case analysis. Your participation will be evaluated based on the thoughtfulness of your remarks. As mentioned before, attendance is a critical component of this – you have to be present in order to participate.
- Case preparation – The basis for any good case discussion is preparation. Coming to class with a detailed analysis and recommendation can improve your class participation grade.
- Other Class Assignments – Several classes will include in-class exercises or preparatory tutorials. Your participation in these exercises will also contribute toward your class participation grade.

NOTE: I occasionally “cold call” students in class and may ask for you to share your opinions on a particular topic or your recommendation for a case analysis. As an entrepreneur, you will constantly be required to pitch your idea, answer criticisms, close the sale, or provide leadership to your employees. Your ability to think “on the fly” and communicate effectively is critical. I believe this class is a friendly learning environment for practicing those skills. However, if you feel uncomfortable being put on the spot, please see me after class or send me an e-mail and we will talk about an effective way for you to participate in an environment that is comfortable and conducive to your learning style.

## **COURSE OUTLINE**

A schedule of class meetings is below. This course relies heavily on student input for topics to be covered, involvement from outside speakers, and class discussions. **You should also refer to the syllabus, assignments, and discussion questions posted on Blackboard when preparing for class.**

**Please pay special attention to the dates highlighted in yellow below. Your participation on those dates is expected and required. MARK YOUR CALENDAR NOW. Failure to be present on those dates will result in a zero for that graded assignment.**

<b>DATE</b>	<b>TOPIC</b>	<b>READING/ ASSIGNMENT</b>
Thurs, Aug 30	<b>Course Overview</b> Introduction to course and expectations. Review syllabus. Student introductions.  <b>Definition of Entrepreneurship</b> What is entrepreneurship and how do we define it in modern day society?  <b>Entrepreneurship as a Process</b> What are the basic tenants of entrepreneurship? What are the building blocks for the entrepreneurial process?	<b>Turn in entrepreneurship survey by 12:00 on Thurs. Aug 30.</b>  <u>Read:</u> <ul style="list-style-type: none"><li>• Barringer &amp; Ireland – Chapter 1 (pp. 3-7)</li><li>• “Can Entrepreneurship be Taught?”, Fortune Small Business Magazine</li></ul>
Tues, Sept. 4	<b>The Entrepreneur</b> What are the traits and characteristics of successful entrepreneurs? Are they born or bred? Class discussion will focus on classic entrepreneurial traits as shown in the movie October Sky.	<u>Read:</u> <ul style="list-style-type: none"><li>• Barringer &amp; Ireland – Chapter 1 (pp.7-17)</li></ul> <u>Watch:</u> <ul style="list-style-type: none"><li>• October Sky (on reserve)</li></ul> <u>Complete:</u> <ul style="list-style-type: none"><li>• Entrepreneurial Quotient Survey</li></ul>
Thurs, Sept. 6 11:00-11:50	<b>Guest Speaker</b> Dr. Vikram Akula, Founder and CEO of SKS Microfinance of India Worrell Rm. 1117	<u>Read:</u> Small Loans and Big Ambitions – <u>The Economist</u> , Mar 17, 2007  <u>Review:</u> the website of SKS Microfinance ( <a href="http://www.sksindia.com">www.sksindia.com</a> ) and read at least one client story. Come to this session with at least three questions to ask Dr. Akula.
Thurs, Sept. 6	<b>The Entrepreneurial Revolution and the Role of Entrepreneurial Activity in Today’s Economy</b>  Also  <b>Sales Institute Guest Speaker</b> Barry Love, Founder & CEO of Matrix Headgear	<u>Read:</u> The Meaning of “Social Entrepreneurship” – J. Gregory Dees

DATE	TOPIC	READING / ASSIGNMENT
Tues, Sept. 11	<p><b>Entrepreneurial Teams</b> This class session will focus on how to work with entrepreneurial teams.</p> <p><b>Group Project</b> Instructions on the Group Project will be given during this class session – You will need to plan on working with your team to develop a new venture.</p>	<p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• Barringer &amp; Ireland – Chapter 6 (pp. 125-140)</li> <li>• <i>Partnership Basics</i>, Inc. Magazine</li> <li>• <i>Happy Together</i>, Inc. Magazine</li> </ul> <p><u>Read &amp; Complete:</u></p> <ul style="list-style-type: none"> <li>• Aqualutions Mini-case</li> </ul>
Thurs, Sept. 13	<p><b>Opportunity Recognition – Session #1</b> This class session will focus on learning the basic skills for recognizing a valuable opportunity.</p> <p><b>In-Class Exercise</b> On Opportunity Recognition</p>	<p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• Barringer &amp; Ireland – Chapter 2 (pp. 27-44)</li> <li>• <i>Where Opportunities Roost</i>, Stan Mandel (skim)</li> </ul> <p><u>Complete:</u></p> <ul style="list-style-type: none"> <li>• Bug Report – come to class ready to share and to participate in the in-class exercise</li> </ul>
Tues, Sept. 18	<p><b>Entrepreneurial Insight Presentations</b></p>	<p>Memo to be distributed in class with more information on this assignment.</p>
Thurs, Sept. 20	<p><b>Entrepreneurial Insight Presentations</b></p>	<p>Memo to be distributed in class with more information on this assignment.</p>
Tues, Sept. 25	<p><b>Opportunity Recognition – Creativity Session #2</b> This class session will continue the discussion of opportunity recognition through the use of a guest speaker and case study.</p> <p><b>Guest Speaker</b></p>	<p><u>Read &amp; Complete:</u></p> <ul style="list-style-type: none"> <li>• Mini-case – posted on Blackboard</li> </ul> <p><b>Group Assignment:</b> <b>Turn in a preliminary summary of your group’s new venture idea.</b></p>
Thurs, Sept. 27	<p><b>Opportunity Analysis – Session #1</b> Introduction to basic strategic planning concepts</p> <ul style="list-style-type: none"> <li>• General Market Research</li> <li>• Competitive Analysis</li> <li>• Porter’s Five Forces</li> </ul> <p>In this class session, we will also discuss the marketing research and competitive analysis for the New Venture Simulation Project.</p>	<p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• Barringer &amp; Ireland – Chapter 3 (pp. 51-67)</li> <li>• Barringer &amp; Ireland – Chapter 4 (pp. 75-92)</li> <li>• <i>How to Research Your Business Idea</i>, Entrepreneur Magazine (optional)</li> </ul>

DATE	TOPIC	READING / ASSIGNMENT
Tues, Oct. 2	<b>Opportunity Analysis - Session #2</b> Continuation of business and financial analysis techniques <ul style="list-style-type: none"> <li>• Market Research</li> <li>• Fixed vs. Variable Costs</li> <li>• Breakeven Analysis</li> <li>• Margins and Mark-ups</li> </ul>	<u>Read:</u> <ul style="list-style-type: none"> <li>• Barringer &amp; Ireland – Chapter 7 (pp. 147-152)</li> <li>• <i>Hitting the Market</i>, Entrepreneur Magazine</li> <li>• Search for information on fixed and variable costs on Wikipedia.com</li> <li>• <i>Break-Even Analysis</i>, Entrepreneur Magazine</li> </ul> <u>Complete:</u> <ul style="list-style-type: none"> <li>• Lemonade Stand Exercise</li> </ul> <b>Group Assignment:</b> <b>Turn in summary of market research and competitive analysis for New Venture Simulation project.</b>
Thurs, Oct. 4	<b>Opportunity &amp; Financial Analysis – Session #3</b> In this class session we will discuss <ul style="list-style-type: none"> <li>• Income Statement</li> <li>• Pro Forma Forecasting</li> <li>• Introduction to published resources and Robert Morris Associates (RMA)</li> </ul>	<u>Read:</u> <ul style="list-style-type: none"> <li>• Barringer &amp; Ireland – Chapter 7 (pp. 152-168)</li> <li>• <i>Income Statement</i>, Entrepreneur Magazine</li> <li>• <i>Financial Factors</i>, Entrepreneur Magazine</li> </ul> <u>Read &amp; Complete:</u> <ul style="list-style-type: none"> <li>• Coffeehouse Case</li> </ul>
Tues, Oct. 9	<b>Financial Analysis</b> In this class session we will discuss how to determine cash needs, financing options, and the basics of completing a balance sheet. We will apply these concepts in our continued discussion of the Coffeehouse case. <ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Cash Management</li> </ul>	<u>Read &amp; Complete:</u> <ul style="list-style-type: none"> <li>• <i>Balance Sheet</i>, Entrepreneur Magazine</li> <li>• <i>Depreciation</i>, Entrepreneur Magazine</li> </ul> <u>Read &amp; Complete:</u> <ul style="list-style-type: none"> <li>• Coffeehouse Case</li> </ul>
Thurs, Oct. 11	<b>Mid-Term Exam Review</b> In this class we will discuss and review a case that will serve as a review for your mid-term exam.	<u>Read &amp; Complete:</u> <ul style="list-style-type: none"> <li>• Walcrim Technologies</li> </ul>
Tues, Oct. 16	<b>MID-TERM EXAM (In-class)</b>	
Thurs, Oct. 18	<b>FALL BREAK – No Class</b>	<i>(You might want to go ahead and start reading The MouseDriver Chronicles in preparation for class on 10/23)</i>

DATE	TOPIC	READING / ASSIGNMENT
Tues, Oct. 23	<p><b>Mouse Driver Chronicles</b>            In this class session, we will discuss the real-life entrepreneurial adventures of two Wharton MBAs who started their own business right out of graduate school.</p>	<p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• MouseDriver Chronicles</li> </ul>
Thurs, Oct. 25	<p><b>Business Planning &amp; Writing a Business Plan – Session #1</b>            In this class session we will begin our discussion on how to develop effective business models and strategies around your venture idea – and how to begin the process of committing your idea to paper in the form of a business plan.</p>	<p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• Barringer &amp; Ireland – Chapter 5 (pp. 99-117)</li> <li>• Barringer &amp; Ireland – Chapter 9 (pp. 203-222)</li> <li>• Business Planning Resource Guide (Blackboard)</li> </ul>
Tues, Oct. 30	<p><b>Business Planning &amp; Writing a Business Plan – Session #2</b></p> <p><b>Case Discussion</b>            R&amp;R</p> <p><b>“The Pitch”</b>            In this class session we will also discuss how to pitch your idea to investors and other constituents.</p>	<p><u>Read &amp; Complete:</u></p> <ul style="list-style-type: none"> <li>• R&amp;R Case Study</li> </ul> <p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• <i>Perfecting Your Pitch</i>, Garage Technology Ventures</li> </ul>
Thurs, Nov. 1	<p><b>Social Capital / Networking</b>            In this class session we will discuss the importance of networking and social capital to the development of entrepreneurial ventures. The class discussion will focus around the discussion of Lois Weisberg.</p> <p><b>In-Class Exercise</b>            Social Capital</p>	<p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• <i>The Six Degrees of Lois Weisberg</i>, The New Yorker</li> </ul>
Tues, Nov. 6	<p><b>Group Project –</b>            No class. Group meeting with instructor to discuss concept and business plan.</p>	<p><b><u>Group Assignment:</u></b>  <b>Concept Plan for New Venture Simulation Project is due 24 hours prior to meeting.</b></p>

DATE	TOPIC	READING / ASSIGNMENT
Thurs, Nov. 8	<p><b>Sales &amp; Marketing Workshop</b>            How to market a product            Introduction to basic marketing concepts</p> <ul style="list-style-type: none"> <li>• Product Development</li> <li>• Positioning/Branding</li> <li>• Pricing</li> <li>• Advertising/Promotion</li> <li>• Sales</li> </ul> <p><b>Case Study</b>            The Pitchman</p>	<p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• Barringer &amp; Ireland – Chapter 11 (pp. 253-270)</li> </ul> <p><u>Read &amp; Complete:</u></p> <ul style="list-style-type: none"> <li>• <i>The Pitchman</i>, The New Yorker</li> </ul>
Tues, Nov. 13	<p><b>Group Project –</b>            In-class sales of product</p>	
Thurs, Nov. 15 <b>EVENING CLASS</b>	<p><b>Group Project (EVENING CLASS)</b>            Class discussion and debriefing on New Venture Simulation Project.</p> <p>Each group to make 10 minute presentation on concept, plan, results, and lessons learned.</p> <p>Our class discussion will focus on many aspects of the entrepreneurial process including opportunity recognition, screening, resource allocation, marketing, sales, human capital, teamwork, financial returns, etc.</p>	<p><b>Group Assignment:</b>  <b>In-class group presentations (Specifics of assignment to be distributed later).</b></p>
Tues, Nov. 20	THANKSGIVING BREAK – No Class	
Thurs, Nov. 22	THANKSGIVING BREAK – No Class	
Tues, Nov. 27	<p><b>Financial Capital – Session #1</b>            In this class session we will discuss options for financing a business venture. We will also cover statistics of funding sources and discuss how to manage growth and cash flow.</p>	<p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• Barringer &amp; Ireland – Chapter 10 (pp. 229-246)</li> </ul>

DATE	TOPIC	READING / ASSIGNMENT
Thurs. Nov. 29	<p><b>Financial Capital – Session #2</b>            In this class session we will continue our discussion on financial capital, focusing on the perspective of the investors.            Topics for this session will include:</p> <ul style="list-style-type: none"> <li>• How to contact/pitch to investors</li> <li>• Motivation/returns of investors</li> <li>• Non-financial resources available from outside investors</li> <li>• Negotiating</li> </ul> <p><b>Guest Speakers</b>            Panel of Angel Investors, Venture Capitalists, Lenders</p>	Reading assignment posted on Blackboard
Tues, Dec. 4	<p><b>Other Forms of Entrepreneurship</b>            Buying a Business            Franchising            Intrapreneurship &amp; Corporate Venturing</p>	<p><u>Read:</u></p> <ul style="list-style-type: none"> <li>• Barringer &amp; Ireland – Chapter 15 (pp. 355-378)</li> <li>• <i>Buy – Don't Start – Your Own Business</i>, Inc. Magazine, Mar. 2004</li> <li>• <i>How to Buy a Business</i>, Inc. Magazine, Sept. 2005</li> </ul> <p><u>Complete:</u>            Case – TBD</p>
Thurs, Dec. 6	<p><b>Course Summary</b>            Exam Review            Course Evaluations</p> <p><u>In-Class Assignment</u>            Stanford University Commencement Address by Steve Jobs, CEO of Apple Computer and Pixar Studios (June 12, 2005)</p>	
<b>Wed, Dec. 12 9:00 am</b>	<b>FINAL EXAM</b> Kirby Hall Room 117	<b>FINAL EXAM</b>