

## ENTREPRENEURSHIP: CREATING A PLAN OF ACTION

IFSA Tel Aviv

**US semester credit hours:** 3

**Contact Hours:** 45

**Course Code:** EI387-02 / IB387-02

**Course Length:** Semester

**Delivery Method:** Face to face

**Language of Instruction:** English

**Suggested cross-listings:** Entrepreneurship, International Business

### COURSE DESCRIPTION

Entrepreneurship is widely understood as engaging in a process to seek out or create opportunities for the purpose of starting a business; yet there is a gap between what entrepreneurs actually do to start a business and what some investors actually want prior to investing their money in entrepreneurs and their businesses. Therefore, the purpose of this course is to teach students how to do both: 1) think through and engage in the creation of a start-up and 2) develop and communicate a business plan to potential investors. In order to do the first, students will learn about and follow the “lean start-up” methodology, and to do the second, students will learn how to prepare a traditional business plan.

### COURSE DELIVERY

Much of this class is experiential in that students will not only learn the concepts and frameworks, but they will also put them into action. Thus, prior to each class, students are expected to have read the assigned material, met with their teammates, and conducted relevant research and exercises so that they can make the most of their time in class.

In most meetings, the instructor will provide an overview the topic and then facilitate a group discussion, drawing out relevant themes, following up on specific lines of inquiry, and prompting students’ thoughtful engagement with the topic. There are occasions when students will work on their business plans with their teammates during class time so that the instructor can help facilitate their process and guide them through challenges.

Students are encouraged to bring their prior learning experiences into class discussions (based on experiential learning theory) and to make cognitive connections between this course and others whenever possible (based on the philosophy of integrative learning).

### STUDENT LEARNING OBJECTIVES

Students who successfully complete this course will:

1. Work in teams of two or three to create an idea for a business and develop a plan for its success.

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2. Learn and put into practice some of the “lean start-up” principles.
3. Understand the components of business plans and how they fit together as an effective and persuasive communication tool for potential investors.
4. Write a coherent and persuasive business plan.
5. Strengthen independent and collaborative working skills.
6. Become aware of additional resources for research on entrepreneurship.
7. Make cognitive connections between learning in this course and other learning experiences in IFSA Tel Aviv.

## COURSE OUTLINE

Meeting	Date	Topic	Activity & Work Due
1		Orientation to the course	Review syllabus, due dates, and expectations
2		Overview of New ventures	1) Read Ch. 1 in <i>New Venture Management</i> (NVM) 2) Discuss questions and case on pages 18-19 in class
3		Ideation: creating and identifying entrepreneurial opportunities	1) Read Ch. 2 in NVM 2) Read “Why the lean start-up changes everything” 3) Focus class discussion on the lean start-up and discussing the “Business Model Canvas”
4		Design Thinking Exercise	<b>Class exercise on design thinking</b> (see details later in the syllabus)
5		Pathways to new venture ownership	1) Read Ch. 3 in NVM 2) Discuss questions and case on pages 73-75
6		<b>Team formation exercise</b>	Class becomes a “reception”; students come to class (or some other location) in business-casual or business attire, and “network” with each other to ultimately form teams of two for the course business plan
7		Marketing	1) Read Ch. 4 in NVM, 2) Discuss questions and case on pages 99-100 <b>3) Each team submits (in written form) three ideas that resulted from an out-of-class ideation exercise</b> 4) Teams meet as pairs and discuss at a high level how they would market each of their three ideas
8		Legal issues	1) Read Ch. 5 in NVM 2) Discuss questions and case on pages 125-127

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			3) Teams work independent to “match” an appropriate legal structure to each of their three ideas
9		Pricing	1) Read Ch. 6 in NVM 2) Discuss questions and case on pages 154-156 3) Teams discuss how they should price each of their ideas
10		Start-up capital	1) Read Ch. 7 in NVM 2) Discuss questions and case on pages 178-180 3) Teams discuss how much capital they would need, and from where they would get it, for each of their three ideas
11		Catch-up or guest speaker	<i>(I've found that courses like this inevitably fall behind the schedule, so I build in "catch-up" times)</i>
12		Financial statements	<b>1) Teams come to class with one a two-page paper articulating why they settled on one of their three ideas over the other two</b> 2) Read Ch. 8 in NVM 3) Discuss questions and case on pages 200-202 4) Teams start building pro-forma financial statements in excel
13		Financial analysis	1) Read Ch. 9 in NVM 2) Discuss questions and case on pages 222-224 3) Teams continue working on their financial statements
14		Human resources	1) Read Ch. 10 in NVM 2) Discuss questions and case on pages 260-262 3) Teams discuss what skills their first few hires would need to have
15		The business plan as a coherent document	1) Read Ch. 11 in NVM 2) Discuss questions and case on pages 284-286 3) Teams start constructing their business plan template/model and add their notes from class sessions
16		Scaling ventures	1) Read Ch. 12 in NVM 2) Discuss questions and case on pages 308-310 3) Teams work on business plans
17		Understanding venture capital	1) Read Intro and Ch. 2 (no need to read Ch. 1) of <i>Mastering the VC Game</i> 2) Discuss what motivates VCs and how they are different than entrepreneurs 3) Teams work on business plans
18		Pitches	1) Read Ch. 3 of <i>Mastering the VC game</i> 2) Discuss what makes for great pitches 3) Teams develop their pitches

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19		Teams present executive summaries	<b>1) Each team presents their executive summary via PowerPoint to the class and instructor</b> <b>2) Written executive summary due</b>
20		Business plan development	Teams work on their business plans
21		Making deals with VCs	1) Read Ch. 4 of <i>Mastering the VC Game</i> 2) Discuss how VCs add value and how entrepreneurs negotiate with them 3) Teams work on business plans
22		Teams present their marketing plans	<b>1) Each team presents their marketing plan via PowerPoint to the class; class and instructor provide feedback</b> <b>2) Written marketing plan due</b>
23		Boards of directors	1) Read Ch. 5 of <i>Mastering the VC Game</i> 2) Discuss how to engage with and manage BoD 3) Teams work on business plans
24		Exit strategies	1) Read Ch. 6 of <i>Mastering the VC Game</i> 2) Discuss various exit strategies 3) Teams discuss their own exit strategy
25		VCs across the globe	1) Read Ch. 7 of <i>Mastering the VC Game</i> 2) Add a reading on venture capital in Israel? 3) Compare and contrast VCs across different regions
26		Catch-up or guest speaker	TBD
27		Business plan development	Teams work on their business plans
28		Business plan development	Teams work on their business plans
29		<b>Final presentations</b>	Teams 1-4 present modified business plan to a group of "investors" (students and instructor role playing as a venture capitalist for example)
30		<b>Final presentations</b>	Teams 5-8 present modified business plan to a group of "investors" <b>Final written business plan due from all teams</b>

### REQUIRED READINGS

Blank, S. (2013). Why the lean start-up changes everything. *Harvard business review*, 91(5), 63-72.

Bussgang, J. (2010). *Mastering the VC game: A venture capital insider reveals how to get from start-up to IPO on your terms*. Penguin.

Kuratko, D. F., & Hornsby, J. S. (2017). *New Venture Management: The Entrepreneur's Roadmap*. Taylor & Francis.

## COURSE SYLLABUS

### EVALUATION METHODS

The course instructor will provide specific requirements and grading rubrics for individual assignments for the course. Your final grade in the course will be comprised of the following course requirements:

A summary of the course deliverables is listed below:

<u>Action</u>	<u>Key dates</u>
1. Students form teams of 2 or 3	By 6 <sup>th</sup> meeting
2. Teams submit 3 ideas to instructor (written form)	By 7 <sup>th</sup> meeting
3. Teams submit a 2-page articulation of their idea	By 12 <sup>th</sup> meeting
4. Teams present and turn in their executive summary	By 19 <sup>th</sup> meeting
5. Teams present and turn in their marketing plan	By 22 <sup>nd</sup> meeting
6. Teams present business plan	Last two meetings
7. Teams submit complete written business plan	Last meeting

#### Three ideas (5% of course grade):

By the 7<sup>th</sup> meeting, each team will submit a one-page summary of their three best ideas for starting a business. Grading will be based on the compelling nature of the ideas (50%), quality of writing (25%), and professionalism (25%).

#### Two-page articulation of the business idea (5% of course grade):

By the 12<sup>th</sup> meeting, each team will submit a two-page paper articulating why they are selecting one idea and not the other two. Grading will be based on the compelling nature of the idea (50%), quality of writing (25%), and professionalism (25%).

#### Draft executive summary (5% of course grade):

By the 19<sup>th</sup> meeting, each team will submit a draft of the executive summary. Grading will be based on how well students followed the guidance in the *New Venture Management* book, see page 277 (50%), quality of writing (25%) and professionalism (25%).

#### Draft of the marketing plan (5% of course grade):

By the 22<sup>nd</sup> meeting, each team will submit a draft of the marketing plan. Grading will be based on the rubric used on page 278 of *New Venture Management*.

#### Final business plan (55%):

This is the highlight of the course.

1. *Task*: Develop a business plan (about 40 pages in length) that shows potential to create a viable business.
2. *Process*: Read the course material, find interesting opportunities, work in teams of two or three, and systematically think through how you will bring an idea from the drawing table to the market.
3. *Role & audience*: Write your business plan as if it was going to be read by a banker, venture capitalist, or angel investor (because it might!). Therefore, your writing should be highly professional, highly logical, backed by extensive research, free from grammatical and spelling errors, and flow nicely.

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4. *Format:* The business plan will be one coherent Word document (12 font) submitted in hardcopy and softcopy. The following format from *New Venture Management* (Kuratco & Hornsby, 2018) is required:
  - i. *Executive summary*
  - ii. *Description of the business*
  - iii. *Marketing*
  - iv. *Location*
  - v. *Management*
  - vi. *Financial*
  - vii. *Critical risks*
  - viii. *Harvest strategy*
  - ix. *Milestone schedule*
  - x. *Appendix (if required)*
5. *Criteria for evaluation:* The business plan will be evaluated using the rubric provided in *New Venture Management* (Kuratko & Hornsby, 2018) on pages 277-283.
6. *Due dates:* Each business plan is due at the beginning of the very last meeting.

### Final presentation (10%):

Each team will have 12 minutes to present their business plan to the entire class on one of two days. Following the presentation there will be 5 minutes for questions/comments. Grading will be based on quality of analysis (50%), professionalism (25%), and creativity (25%). Teams will have already presented/discussed much of their business plan to the class prior to the final presentations, so students should focus on the aspects of the venture that have not yet been presented (i.e., financials).

### Class participation (15%):

Participation is determined by assessing students' intellectual contribution to class discussions and feedback to other students regarding their venture ideas and business plans. Intellectual contribution consists of a combination of thoughtful comments, questions, critical inquiry, and respect for differences of opinion. Intellectual contribution does not equal "air time". Participation is qualitative and subjective based on the instructor's expertise and judgement.

### **Timely Submissions**

Assignments submitted after the deadline will be accepted at the discretion of the course instructor and generally only in the event of a documented illness or emergency.

### **ACADEMIC INTEGRITY**

Any academic endeavor must be based upon a foundation of honesty and integrity. Students are expected to abide by principles of academic integrity and must be willing to bear individual responsibility for their work while studying abroad. Any academic work (written or otherwise) submitted to fulfill an academic requirement must represent a student's original work. Any act of academic misconduct, such as cheating, fabrication, forgery, plagiarism, or facilitating academic dishonesty, will subject a student to disciplinary action.

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IFSA takes academic integrity very seriously. Students must not accept outside assistance without permission from the instructor. Additionally, students must document all sources according to the instructions of the professor. Should your instructor suspect you of plagiarism, cheating, or other forms of academic dishonesty, you may receive a failing grade for the course and disciplinary action may result. The incident will be reported to the IFSA resident director as well as your home institution.

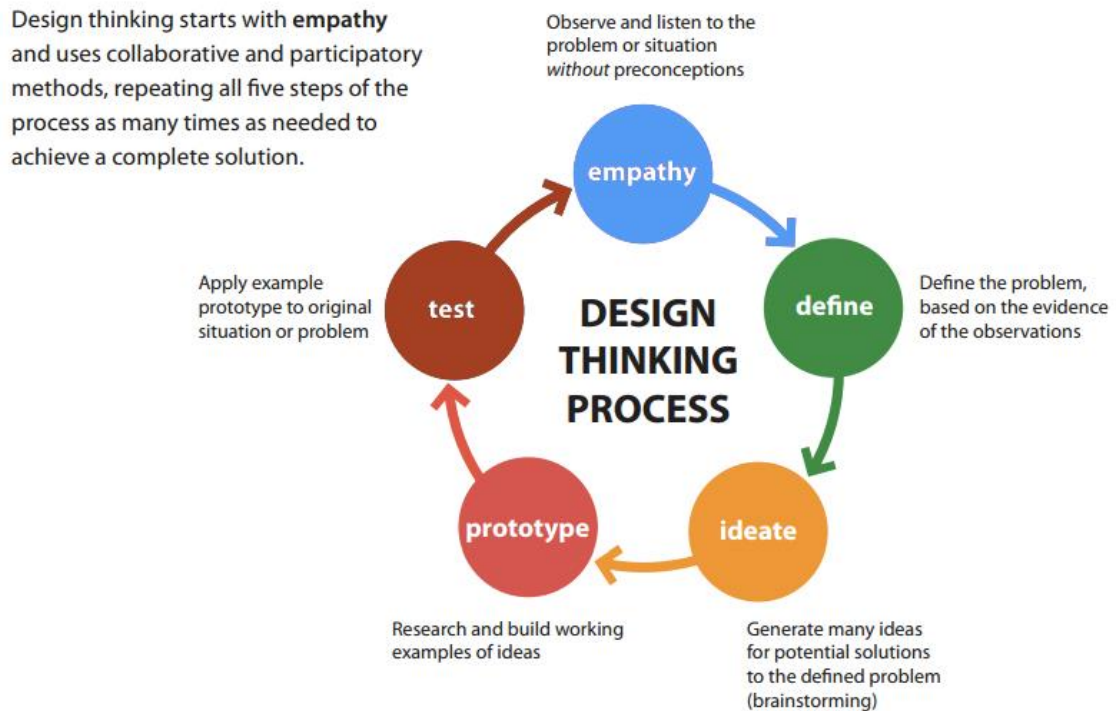
### DESIGN THINKING EXERCISE

**Learning Objective:** Engage all of the participants in a *mini design challenge*. People will be asked to think about and design a space that promotes creativity.

**Materials needed:**

- Post-It notes pads (One per participant)
- One whiteboard per team (or design notebook)

**Design Thinking Overview (10 min):** see next page



**Getting organized (2 min):**

- Put people into groups of 3
- Find a table and whiteboard
- Get a stack of Post-It notes and a sharpie (or pen).
- Prepare for the mini design challenge instructions.
- Things will be moving fast so please pay attention to my instructions. I will be interrupting you **a lot** !

**Empathy (8 min total):**

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For the purposes of this exercise, we will substitute talking to other students, professors, staff and other stakeholders with talking among your teams.

- ***Your goal is to design a space that promotes creativity.***

### In 6 minutes

- *“Describe a space where you feel creative. What makes it so?”*
- *“Can you remember a time when you felt energized working in a space? What was special about it?...”*

### In 2 minutes

- Identify interesting similarities and differences in your responses

### **Problem Identification (8 min.):**

- Talk about the campus’ many spaces and how well you think they do or don’t promote creativity.
- *“What makes them promote creativity?”*
- *“What makes them inhibit creativity?”*

### **Ideating (17 minutes total):**

#### In 13 minutes:

- Generate ideas about what a creative space should or could look like.
- Don’t feel constrained by your perceptions of what you think is possible here. If you think that your idea might be too expensive or too complicated, it doesn’t matter at this stage of the process. Just get your ideas out.
- When you have an idea, say it out loud to your partners, write it down on the Post-It note, and place it on the whiteboard. It will help make sure everyone is aware of the ideas coming out. And, it is important that the ideas are **visually** represented.
- Think of Post-Its as **“material”** just like actions, movements, sounds in improv are “material”
- Try to explore every idea at least a little even if you have misgivings. Not every idea is good. But every idea can lead to a good one.
- If you are familiar **with improv, this is the “yes and”** model. Someone gives an idea. Someone else says “yes and...” elaborates on the idea. Avoid “yes but.” You can pivot to a new line of thinking after a while.

#### In 4 minutes:

- Look at the ideas you have generated. Cluster the ones you think are related.
- As a team decide on the three most **interesting** features that you think should make it in the final design (not necessarily realistic or feasible)
- Then decide on your team’s favorite
- Start sketching your space on paper or the whiteboard

### **Prototyping (20 minutes):**

From your sketch, **build** your prototype using materials laying around in this room, draw it out “scene by scene” on a whiteboard, or make a storyboard



## **COURSE SYLLABUS**

**Debrief (10 minutes):** Each team shares their idea with another team (then switch)

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