

ENTRE 510: Entrepreneurial Strategy

Foster School of Business
University of Washington

Fall 2015

Professor: **David Tan**
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Class Times:
Tuesday (Paccar 392)
6:00-9:20

Office Hours:
By appointment

COURSE OBJECTIVES AND SCOPE

This course focuses on the strategic decisions and processes around bringing new products and services to the market. By its very nature, entrepreneurship often begins with new business ideas that do not fit neatly within existing market categories. These ideas may involve complex ecosystems in which the traditional roles of customer, supplier, and competitor are ambiguous, and there is often a great deal of uncertainty about the right business model. The goal of entrepreneurial strategy is therefore to address two types of problems: i) identifying the unique value-added of a business idea and ii) figuring out the right business model for commercializing it. The core learning experiences in the course will focus on generating alternative business model choices, validating assumptions, and interpreting feedback in order to systematically modify and refine a business model over time.

TEAM PROJECT

All teams will complete a final project that will be presented at the end of the class. Each team must formulate a new business idea to meet an underserved set of needs. Novel ideas are encouraged. However, the primary learning objective of the project is not to practice generating new product ideas but to practice evaluating the unique value-added of an idea, recognizing alternative key business model choices for commercializing the idea, and generating a systematic strategy for validating key assumptions and refining the business model.

I will meet with each team to provide guidance and feedback in developing this strategy. In addition, each team member is expected to write up and submit ideas for the final project in order to provide seeds for brainstorming and to ensure a baseline level of preparation among all team members. This will be submitted as a series of individual assignments.

CONTRIBUTING TO DISCUSSION

The focus of discussions in this class will not be to debate whether business ideas are “good” or “bad” or whether an entrepreneur was “right” or “wrong”. The standing objective in every session will be to i) identify conditions under which a business idea can create value, ii) formulate these into testable hypotheses, and iii) develop realistic approaches for testing these in practice.

Therefore, for every business idea that is discussed in class—whether from a case or a team’s idea for the final project—we will always push on specifying the assumptions needed for an idea to create

value and sustain a business. These assumptions are numerous and often go unstated. Importantly, when a critical assumption is revealed, our reaction should not be to abandon the idea but to think of ways in which the assumption could be satisfied by modifying the business model. This is the essence of entrepreneurial strategy and an overarching criterion for what constitutes valuable contributions to class discussion. More generally, students should go into case discussions with the aim of helping the class collectively make sense of unknowns and assumptions—rather than taking and defending positions.

WEEKLY MEMOS

To earn credit for contributions to class discussion, these must be recorded in weekly memos. The purpose is to add transparency (and reduce arbitrariness) in the evaluation of class contributions by providing a channel through which students can themselves take steps to ensure some objective and consistent documentation of what is being assessed.

- Memos are due no later than the start of the next week’s class. Submit via Canvas. Memos submitted after this time will not be accepted.
- List in bullet point form the comments you made during the week’s discussion.
- No more than 5 bullet points. The entire memo must be strictly no more than 1 page. Most memos will not approach 1 page. This should not become an involved writing assignment.

While you have a week to complete each memo, it is easiest by far to do it soon after a class, while the thoughts are fresh in memory. You should have to spend no more than 15 minutes at most. The longer you wait, the more work it becomes to recall the last week’s discussion.

ELECTRONIC DEVICES

Stow personal electronic devices not essential to note-taking before class begins. Discussions in this class are interactive and often fast-paced. A consistent comment from students is that they can easily become lost if they momentarily disengage from the discussion.

Moreover, students have commented that they are less motivated to speak if they see classmates are “tuning out” to use electronic devices. This is a serious concern in this class because the level of learning hinges critically on active discussion reflecting a diversity of student perspectives. Speaking in front of classmates can be intimidating, and many students are cautious about speaking up.

Whether intentionally or not, tuning out to use electronic devices sends negative feedback to speakers and promotes disengagement. From years of case discussions, I have found that the learning benefits for students of keeping electronic devices turned off far outweigh the potential benefits of keeping them on.

However, students with full-time jobs or families may need to respond to urgent situations during class and are welcome to step out of class to do so. This would not be perceived as disinterest or disrespect to those who are speaking.

GRADES

Final course grades are subject to grade distribution guidelines set by the Foster School of Business for MBA courses. This is intended to produce an equitable distribution that ensures academic rigor and offers accurate feedback to students regarding their academic performance relative to their peers in the same cohort. Total points earned will be computed as follows:

- 20% contributions to class discussion
- 20% final presentation
- 20% final project written report
- 20% individual write-ups for final project
- 20% individual contribution to the team project

This figure serves to rank students on a comparable basis; there is no predetermined relationship between absolute numeric scores and final grade points. Final grades will be determined by how students rank relative to one another in the class distribution in terms of total points earned. The median grade is expected to be 3.4 for MBA courses in the Foster School of Business. This implies that the number of higher grades must be symmetric with the number of lower grades.

Late projects

Late projects will be graded normally but will have 30% deducted from the graded score (not total possible score) for every 30 minutes it is late. Hence, an assignment submitted 1 to 30 minutes after the start of class will have 30% deducted. An assignment submitted 31 to 60 minutes after the start of class will have 60% deducted, and so on. These deductions are implemented without exception, regardless of the reason an assignment is submitted late, so do not put your team at risk of unforeseen circumstances. Choose a responsible member of the team, and turn assignments in well before the deadline.

GRADING PROCEDURE

Projects in this course are graded using a three-round process. In the first round, all projects are read without grading. The purpose of this first round is to understand the central claims in the analysis, so that the bigger picture is not lost in assessment of individual points.

In the second round, all analyses are read once more in more detail to assess quality. An analysis is assessed based on its recognition of key points, use of appropriate supporting evidence, and validity of its inference and reasoning from case facts.

In the third round, all analyses are read once more in even more detail for the purpose of identifying opportunities for upward point adjustment. In this round, additional credit is awarded for category exemplars, i.e. exceptional analysis of particular points, claims not explicitly made but implied by other aspects of the analysis, and points overlooked in the previous grading. In this round, all possible benefit of the doubt is given.

Grade Appeals

Before initiating a formal grade appeal, refer to the grading process to be sure your concern is not likely to have been addressed in the upward point adjustment portion of the grading. If, after having done so, you notice a genuine oversight in the grading process, please do the following:

1. If you would like your grade on a specific assignment to be reconsidered, compose a memo that explains the reason for requesting further consideration of your work.
 - a. All memos must be submitted within 1 week (7 days) of the original grade being distributed.
 - b. The memo must be no more than 1 page (12-pt font, single-spaced, 1" margins).
 - c. The memo must be emailed to the instructor.
 - d. The memo must point to the specific lines and passages where statements addressing the expectations of the assignment were overlooked in the grading process.
2. The assignment will be re-considered in its entirety; grades may be adjusted upward or downward, or remain unaltered.
3. All grade appeals must be written; *none* will be considered during office hours or class time.

Note that you are more likely to be successful in professional settings if you can persuade others logically—rather than emotionally—in a concise and specific manner. Consequently, logically-motivated appeals are most likely to result in more positive evaluations upon further review. Bear in mind that the grade appeal process is designed to provide a corrective mechanism. The process should not be abused, i.e. treated as a lottery ticket.

UNIVERSITY CONDUCT CODE

This course follows the principles and procedures espoused by the University of Washington Student Conduct Code to maintain academic integrity in the course. The Code establishes the expectation that students will practice high standards of professional honesty and integrity. In particular, implementation of the Code at the Foster School of Business prohibits cheating, attempted cheating, and plagiarism—including improper citations of source material—as it pertains to academic work.

If you are unclear about how the Code applies to assignments for this course, for example, what kind of assistance is permissible for homework, whether you may study with classmates for an exam, how to cite source material gathered from the internet, etc., please ask for clarification. All instances of potential violations will be forwarded to the Associate Dean of the MBA program and handled in compliance with the University of Washington Student Conduct Code as outlined in Washington Administrative Code 478-120.

Specific Applications of the Conduct Code (list not all-inclusive)

1. Submitting team projects that reflect the work individuals who are *not* members of the team is an act of academic dishonesty.
2. Using external sources without properly citing them is an act of academic dishonesty.
3. Providing course materials to other students who have not yet taken the course is an act of academic dishonesty.

Session	Day	Date	Topic	Required Preparation
1	Tue	Oct. 6	What is entrepreneurial strategy?	Read syllabus Download course packet
2				
3	Tue	Oct. 13	Analyzing the ecosystem	Article: From value chain to value constellation (Read up through and including “Rethinking business alliances”, p. 65-74) Case: BabbaCo
4			Pinning down a business’s unique added value	Case: GolfLogix
5	Tue	Oct. 20		Case: Predictive Biosciences
6				Case: Medical Foods
<i>Individual write-up due</i>				
7	Tue	Oct. 27	Identifying and exploiting entrepreneurial opportunities	**** Class starts at 7:00 PM **** Case: WineInStyle
8				
9	Tue	Nov. 3	Adding and capturing value from technological innovation	Article: Profiting from technological innovation (Canvas) Case: Flash of genius (Canvas)
10				Case: X-IT and Kidde (Parts A and B)

11	Tue	Nov. 10	Managing uncertainty	Article: Hypothesis-driven entrepreneurship Article: Ridiculous small business plan encouraged by friends (Canvas)
12				Case: Birchbox Article: Birchbox, seller of beauty products, steps out from web with a store (Canvas) Article: Rewards of sampling (Canvas) Article: What's next for sample beauty boxes (Canvas)

13	Tue	Nov. 17		Case: Lit Motors
14				Case: Linear Air

Individual write-up due

15	Tue	Nov. 24	Final project workshop	
16				

17	Tue	Dec. 1	Entrepreneurial bandwagons	Case: Online pet supply retailing
18				

19	Tue	Dec. 8		<i>Final Presentations</i> Slides due by start of class
20				

	Tue	Dec. 15		<i>Final project report due</i>
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