COURSE OBJECTIVES AND SCOPE
This course focuses on strategic decisions and processes around entrepreneurship. There are two key ways in which entrepreneurs can be strategic in how they bring new products and services to the market. First, they can be strategic in their value propositions. All entrepreneurs belong to broader ecosystems of entities performing related activities. By structuring their ventures’ internal activities and relationships with external entities in a strategic way, entrepreneurs can better position their ventures to add unique value in these broader ecosystems. Second, entrepreneurs can be strategic in how they empirically validate their ideas. All entrepreneurial ideas involve numerous unknowns and assumptions. Resolving unknowns and validating assumptions can be extremely costly. Yet it is also important for avoiding early overinvestment in suboptimal versions of an idea. By identifying high-priority unknowns and devising low-cost tests, entrepreneurs can increase the amount of learning and refinement they do before scaling up their ideas.

The course is structured so that the first half of class will focus on how to identify and refine value propositions, while the second half will focus on validating ideas. However, because these two aspects of strategy are so closely related, elements of both will be interwoven throughout the course.

INDIVIDUAL WRITE-UPS
Each individual will submit two written deliverables, each detailing one side of a business idea: 1) a “hammer looking for a nail” and 2) a “nail looking for a hammer”. A “hammer looking for a nail” refers to some capability that you are able to put together, regardless of whether there is a clear commercial opportunity. This can be a technology, resource, personal skill or talent, personal connections, or some combination of these. The goal of the “hammer” write-up is to develop an idea for something that you can actually make happen using what you know, who you know, and what you have at hand. It must in some way, broadly defined, be meant to improve some aspect of quality of life somewhere in society (i.e. not destructive or entirely frivolous). Otherwise, the write-up need not include any discussion of commercial potential. The emphasis is on being as realistic as possible in describing a plan for doing something. These should not be pie-in-the-sky aspirations.

A “nail looking for a hammer” refers to some pain point that you know someone in society wants to address, regardless of whether there is a clear solution. This can refer to pain or suffering per se. It can also refer to unmet needs, as well as sources of inefficiency or waste. At a superficial level, it is not hard to think of a pain point on its own. The emphasis of the write-up, however, is to identify even more specifically a particular operational gap in the broader ecosystem of entities that have
interests in and/or capabilities for addressing that pain point. For any pain point that someone in society is interested in addressing, there will be individuals, organizations, and communities actively engaged in seeking solutions. Ideally, an analysis should not only identify where gaps in coverage exist but also provide some insight about why the gaps exist. Additionally, a good “nail” write-up should essentially translate a demand-side pain point into a specification, in operational terms, of a supply-side problem to be solved. (We will discuss in more detail what this means.)

The two write-ups can be done in any order. But it is strongly, strongly encouraged (though not required) that the two write-ups be done independently. In other words, it is strongly encouraged that you not try to first come up with one coherent business idea and then write-up the hammer and nail aspects of the idea. This tends to be a frustrating approach, as it leads to suboptimal answers to both sides and greater difficulty of coming up with alternative ideas. It is much easier to write each side separately so that you can focus on what you are most knowledgeable and passionate about without the pressure of having to flesh out the other side of a complete business idea.

Successful ventures ultimately reflect instances when the right hammer finds the right nail. And in class, we will regularly discuss the importance of achieving that fit. But in practice, even the most successful ventures usually begin with a more concrete footing on one side and then pivot towards more concrete footing on the other. There is a reason for this.

As entrepreneurs increasingly recognize, attempting to use foresight to identify and jump straight to the right hammer-nail fit is not only unrealistic—it can actually be counterproductive. Trying to think too far ahead too early in the idea generation stage can create undue constraints on the scope of ideas that are considered and explored further. In contrast to established business models in established industries, entrepreneurial spaces often involve too many moving parts to be able to accurately foresee how a seed of an idea will play out on the other side of the problem without a good faith attempt to flesh it out. In fact, added complexity actually tends to make individuals less creative. When faced with greater complexity, individuals tend to become more anchored around incremental variations of familiar ideas. In practice, this feeds into the widely-observed tendency for entrepreneurs to anchor on initial visions and fail to see opportunities to pivot. It might not be that they are shortsighted. It may actually be that they become paralyzed by the unmanageable complexity of attempting to look too far ahead with too many unknowns. This is the motivation behind the shift away from monolithic business planning and towards lean startup thinking. The individual write-up assignment is structured to reflect this.

TEAM PRESENTATION

In addition to submitting individual write-ups, each individual will also work as part of a team to develop one idea in depth and present the idea on the last day of class. The idea must include a detailed description of the “hammer” component, a capability to do something that the team can realistically put together with what they know, who they know, and what they have at hand. The team must then present a set of hypotheses about a potential market or markets for the idea and a strategy for testing these hypotheses. In keeping with the lean startup philosophy, the focus of team brainstorming on this second component should not be about trying to figure out via internal debate what the right market is (how would anyone know?). The focus should be to come up with a set of value propositions for potential markets that are logically consistent and empirically testable. The team’s efforts should then focus on devising a set of minimum viable products that maximize the amount of knowledge learned while minimizing investment in non-essential features. The presentation should therefore not be focused on convincing the audience that the right value proposition has been found, but that the testing strategy is the right one for determining whether the hypothesized value proposition is right or wrong.
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 how a business idea is attempting to create value, ii) identify key unknowns and challenges to getting the idea of the ground, and iii) identifying ways to resolve these unknowns and overcome these challenges. Individuals should therefore go into class discussions with the aim of identifying ways to make each other’s ideas and ideas from case discussions better—rather than simply critiquing. Likewise, when presenting ideas, individuals should focus on discussing how their ideas can be tested rather than advocating that their ideas are right. For the lean startup approach to work, it is absolutely critical to avoid defensiveness and triggering defensiveness.

ELECTRONIC DEVICES
Stow personal electronic devices not essential to note-taking before class begins. From years of conducting 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. 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.

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% individual write-up 1
- 20% individual write-up 2
- 20% team final presentation
- 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.
GRADING PROCEDURE
Written assignments in this course are graded using a three-round process. In the first round, all assignments 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.

Late assignments
Late assignments 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 yourself or your team at risk of unforeseen circumstances. Turn in assignments safely before the deadline.

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 via email 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 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.

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 gather 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. [http://apps.leg.wa.gov/WAC/default.aspx?cite=478-120-024](http://apps.leg.wa.gov/WAC/default.aspx?cite=478-120-024)

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. Using course materials from past students or providing course materials to students who have not yet taken the course is an act of academic dishonesty.

VeriCite

The University has a license agreement with VeriCite, an educational tool that helps prevent or identify plagiarism from Internet resources. In this course, assignments will be submitted electronically and checked by VeriCite. The VeriCite Report will indicate the amount of original text in submitted work and whether all material that is quoted, paraphrased, summarized, or used from another source is appropriately referenced.
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<thead>
<tr>
<th>Session</th>
<th>Day</th>
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<th>Topic</th>
<th>Required Preparation</th>
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<tbody>
<tr>
<td>1</td>
<td>Wed</td>
<td>Sep 28</td>
<td>Thinking strategically about entrepreneurship</td>
<td>Read syllabus</td>
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<td>Download course packet</td>
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<td>Suggested background reading for the course:</td>
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<td><strong>Canvas:</strong> Business model canvas</td>
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<td><strong>Canvas:</strong> How to build a startup (as needed and at your own pace)</td>
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<td>3</td>
<td>Wed</td>
<td>Oct 5</td>
<td>Identifying and refining the value proposition</td>
<td><strong>Packet:</strong></td>
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<td>-From value chain to value constellation (Read up through and including “Rethinking business alliances”, p. 65-74)</td>
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<td><strong>Self-introduction:</strong></td>
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<td>Upload a file to Canvas containing a photo of yourself and a brief description of your background and interest in entrepreneurship (complete instructions on Canvas).</td>
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<td>-Medical Foods</td>
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<td><strong>Packet:</strong> Kyrus</td>
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<td>In-class ideation workshop (1 of 3):</td>
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<td>These are opportunities to discuss and receive feedback on ideas in a smaller group setting with no downside risk before write-ups are due. Prepare to attend at least one, but you are welcome to attend more.</td>
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<td>In-class ideation workshop (2 of 3)</td>
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<td>In-class ideation workshop (3 of 3)</td>
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Packet: Hypothesis-driven entrepreneurship

Canvas:
- Creating the lean startup
- An MVP is not a cheaper product, it's about smart learning
- What drones and crop dusters can teach about minimum viable product

Suggested background reading:
Canvas: Why the lean startup changes everything

Individual write-up 1 due

Packet: Lit Motors

Packet: Attack of the clones
Canvas:
- Opening the box
- How Birchbox discovered the beauty consumer everyone else was ignoring
- Birchbox, seller of beauty products, steps out from web with a store
- Yelp reviews for Birchbox stores
- Birchbox launches its own makeup brand

Day before Thanksgiving

Additional content, review of previous content, and/or additional time for guidance on final project, as needed.

Final Presentations
Slides due by start of class

Individual write-up 2 due