

**Michael G. Foster School of Business
Center for Innovation and Entrepreneurship (CIE)
University of Washington**

ENTRE 472/473

**Creating a Company
*(A two quarter class)***

Instructor: Alan Leong
Class Hours: Fall 2013, Mon and Wed, 1:30 pm -3:20 pm, PCAR 395
Cell Phone: 206-310-1739
Email: leonga@uw.edu

Recommended Textbooks:

- a. Leong, Alan Introduction to Writing a Business Plan. Carnation, WA: Koyoti, 2013
- b. Bangs, David. A Crash Course on Financial Statements for Small Business Owners. Madison, WI: Entrepreneur Press, 2010.

Course Summary

Business normally terminate operations by the last day of the second quarter. However, many choose this class as a vehicle to incubate a business that they wish to continue after graduation.

NOTE: Students must complete ENTRE 473 to receive graduation credit for ENTRE 472!

Course Description

“Creating a Company” ENTRE 472/473 is a two quarter course designed to introduce students to the basic steps required to start and actually run a business of their choosing. If a student does not complete ENTRE 473 immediately following ENTRE 472 then no graduation credit will be awarded.

The objective of the course is to introduce students to the basic steps required to plan, start and run a business by having them actually do all of these things that are part of a startup. While the course materials provide guidance and useful management tools, company success is determined by the team’s efforts.

Students are required to identify "real" business customers; to define and deliver products and services; to negotiate with suppliers, administrative agencies and other stakeholders; and to finance company operations. This is a real world, real time experience, supplemented by classroom analysis and sharing of lessons learned.

I. Learning Objectives

Students are expected to develop a basic understanding of the fundamental concepts of business management and functional activities, including:

- Market & Opportunity Identification
- Intense market and industry research
- Basic financial metrics and statements
- Concepts of organizational structure and design
- Team styles and leadership techniques
- Negotiation and decision making
- Basic operations management
- Basic Corporate and Intellectual Property Law

II. Class Format and Activities

To a great extent this is a self-directed class wherein student responsibilities is of a different nature than in the typical classroom environment. The class will be organized into project teams of 3-5 persons/team with each team initially challenged to develop a business plan. Teams must develop a plan for the business in the first quarter and convince investors to fund it. They then implement the plan during the second quarter under intense time pressure.

The instructor acts as coach, advisor and consultant to the operating companies. The instructor's role is primarily to facilitate the process by providing counsel during the planning stage. Teams create contracts that govern peer evaluations, peer evaluations, conflict resolution, and disciplinary action.

Every team is required to have advisors, ideally including an experienced executive at a company whose business is related to that of the students' company. Advisors should be consulted regularly, and will be asked to provide a written critique of the company to the instructor at the end of each quarter.

First Quarter Activities

During the first quarter, each student team will be required to define and develop a new venture which must be approved by the Center for Innovation and Entrepreneurship. As part of this process the teams must:

- complete a business proposal;
- complete documents to license the company;
- and in most cases, find multiple qualified sales leads.

The team will then proceed to implement, operate, and if they wish to subsequently exit the business.

Week 1 – During this week, students get acquainted, learn about what they might expect from each other, assess their potential resources and match them against possible task demands. Students organize themselves into project teams, and establish their preliminary goals and objectives.

Week 2 – This period initiates intense market research. A team member is designated the CFO.

Week 4 – An early business plan drafts will be submitted to the instructor and class advisors for review.

Week 9 – Final Business Plans are sent to the judges. Dress rehearsals of the final presentations are performed.

Week 10 – The teams will finalize their presentations of the business plan and present to judges for funding. Funding will be in the form of an operating loan to each company. **The amount of the loan is determined at the sole discretion of the judges. Grades are reflected by the judges’ confidence in the teams’ ability to achieve the projected results.**

Week 11 – Implementation phase begins.

Second Quarter Activities

Weeks 11- 20 – During this period, the businesses become fully operational. Each team reports at a weekly fishbowl. Key metrics for the businesses are developed, tracked and used as the basis for tactical changes and revised projections. Any problems encountered must be identified and discussed openly.

During this period most teams will do business with other companies outside the course and the university. Teams must identify and resolve the inevitable obstacles that will arise.

Week 20– Final reports and presentations are prepared for the judges that invested in the team at the end of the first quarter.

Week 21 – At this point, each team reviews its final prognosis and negotiates an exit plan for its business. Final reports are due. If it is necessary to continue operations for a limited period to liquidate non-cash inventory or complete obligations to customers, special provisions are negotiated to allow that to occur without disruption. If some team members wish to purchase the assets and continue the business as a private venture, terms are negotiated.

III. Performance Measurement & Grading

First Quarter (30% of final grade)

Intense Marketing Research	15%
Exam	10%
Early Business Draft	15%
Peer Evals & Participation	20%
Final Business Plan & Presentation	40%

Second Quarter

Response to changes	30%
Profitability & Business Metrics	25%
Final business plan & Report	15%
Accuracy of Reporting and Financial Records	10%
Peer Evals & Participation	20%

“Creating a Company” Course Description

Active participation in class discussions and exercises will affect participation grades. Individual contribution scores will be affected by peer performance evaluation ratings. Grades for the first and second quarters will be combined to determine the overall 8 credit hour grade. NO GRADE will be given for one quarter’s completion.

Speakers are still switching dates, patience and flexibility are a must.

Week	Topics	Activities & Assignments
9/23 & 9/25	<i>Beginnings</i> Introductions Opportunity Identification & Team Creation	Pitching Lab George Fletcher, Parity Software Corp Michel Brotman, Simply Seattle
9/30 & 10/2	<i>Foundations</i> The Bit and the Customer Startup Marketing	Pitching Lab II John Zagula, Ignition VC
10/7 & 10/9	<i>Value Communication Week</i> Forecasting & Startup Strategy Basic Financial Modeling & Segmentation	HW 1: Customers / Problem Definition Mike Hoak, Dragon Curve
10/14 & 10/16	First Fishbowls Startup Branding and More	HW 2: The Early Plan (due 1/24) <i>Thursday Networking Evening</i> Dan Voetmann, CEO, Destination Marketing
10/21 & 10/23	<i>Value Protection Week AKA Law Week</i> Intellectual Property Startup Corporate Law	
10/28 & 10/30	Bootstrapping & Bank Loans Angel and Venture Funding “Going Big”	Accelerator Conference – 11/1 to 11/3
11/4 & 11/6	<i>Special Topics</i> Exam When the Shift hits the Plan	
11/11 & 11/13	Veterans Day Final Fishbowls	
11/18 & 11/20	<i>Fierce Conversations & Executive Coaching I & II</i>	
11/26 & 11/28	Final Fishbowls Thanksgiving	
12/2 & 12/4	<i>Value Expression Week</i> Presentations (TBA) Hell Night for Student Entrepreneurs (TBA)	Final Papers along with peer evals due at Electronic Dropboxes during finals week