



## Course Overview

Course Name & Number:	ENTRE 509 – Foundations of Entrepreneurship
Quarter	Autumn 2020
Start & End Dates	09/30/2020 – 11/9/2020
Credits	2 credits

### Course Overview

The course objectives are twofold: (1) to develop an awareness and understanding of the range, scope, and complexity of issues involved in startups; and (2) to gain insight into how entrepreneurs conceive, adapt, and execute strategies to create new enterprises. The course will be taught primarily through case discussions and exercises, supplemented with lectures and guest presenters. During the course, the participants will be placed in the role of an entrepreneur asked to address issues related to new venture creation.

## Faculty Info



**Dan Olson**

Email: dmolson@uw.edu  
Office: PCAR 463

**Office Hours:**

by appointment

### Zoom Meeting Info

The link for all Zoom class sessions and meetings is:

<https://washington.zoom.us/j/9793047674?pwd=K2FKWnl4ZGVVcWZKdWpOSS94YWNRZz09>

Meeting ID: 979 304 7674

Passcode: ENTRE509

## **Communications Guidelines**

Please do not hesitate to contact me with any questions or concerns you may have regarding your learning experience in this course. Email is the most efficient method of communication, whether to resolve any doubts or exchange ideas, or to set up a time to meet or talk on the phone.

## **Email and Internet**

UW Email and the Canvas Discussion Forums in this course are the official means of communication for this class. Students are expected to read and act upon email in a timely fashion. Students should check their email regularly along with the Announcements section of this course. All instructor correspondence will be sent to your @uw.edu email account.

# **Course Structure and Format**

## **Course Time Commitment**

This 2-credit course requires approximately 5 – 6 hours of work per module. Please expect to spend more time during those modules that include larger assignments.

## **Delivery Method**

All classes are delivered in-person and follow the schedule provided on the canvas calendar. This course uses Canvas for the facilitation of communications between faculty and students, posting course materials and activities, submission of assignments, and posting of grades.

## **Organization**

This course is organized by modules.

<b>Module:</b>	<b>Topic:</b>	<b>Class Dates:</b>
1	Entrepreneurial Motivation	9/30/2020
2	Entrepreneurial Opportunities	10/5/2020 10/7/2020
3	Entrepreneurial Implementation	10/12/2020 – 11/4/2020
4	Entrepreneurship and Me	11/9/2020

## **Readings**

This course includes selected readings from various sources on Canvas.

## **Case Studies**

In addition to the textbook, this course includes selected cases as indicated in the detailed course calendar below.

### **Projects (Additional Details for Each Assignment are Provided in *Appendix 1*)**

- Memo on Entrepreneurial Motivation (individual assignment)
- Entrepreneur Interview (group assignment): Interview an entrepreneur about the venture creation process (interview protocol provided in *Appendix 2*)
- Customer and Industry Interviews (individual assignment): Interview potential customers, end-users, or industry experts related to the opportunity your group is pursuing
- Opportunity Development Project (group assignment): Identify, research, and analyze an entrepreneurial opportunity for a venture envisioned by your group and plan how you would pursue this opportunity (additional details provided in *Appendix 3*)
  - Unmet Need Memo (group assignment): executive summary identifying an unmet need in the marketplace
  - Peer Feedback on Opportunity Development Project Draft (individual assignment)

### **Classroom and Presentation Etiquette**

In consideration of others in the class, I request that you keep your video on during Zoom calls unless you have a pressing reason otherwise. If such a reason arises, please message me on Zoom or email me directly explaining why your video is switched off. Please turn off cell phones or other devices that could distract you and potentially others during class.

If you have any questions don't hesitate to contact me. Please don't until the last moment and then try to reach me. You can submit your assignments on Canvas and if there is a problem, just email to me.

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## **Grading Policies**

### **Submitting Assignments**

All deliverables are due to Canvas by 11:59pm on the noted date. Be sure to include the name of all group members/yourself. For group assignments, only one group member should submit to Canvas.

### **Late or Missed Assignments**

Notify the instructor BEFORE an assignment is due if the assignment can't be submitted by the due date. Published assignment due dates (Pacific Standard Time - PST) are firm.

### **Grading Procedure**

Assignments will be graded in a holistic manner based on the extent to which they fulfill assignment requirements and adhere to deadlines and on their quality relative to the other submissions from the class. Grades will be posted in the gradebook on the course site.

End of quarter course grades will be assigned using the scale reflected below.

% Grade	Course grade	94% and above	4.0
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93-94%	3.9
92-93%	3.8
91-92%	3.7
90-91%	3.6
89-90%	3.5
88-89%	3.4
87-88%	3.3

86-87%	3.2
85-86%	3.1
84-85%	3.0
83-84%	2.9
82-83%	2.8
81-82 %	2.7
Below 81%	Failing

### Class Participation

The expectation within this class is that everyone makes a substantive contribution to both the group project and class participation. For the group project, each member will complete a confidential evaluation of the extent and professionalism of the contributions of the rest of their team. This form may be found on Canvas. For within class participation, I will make notes after each session about each class member's engagement in class discussion and preparedness of the case and readings. To be clear, the emphasis is on the caliber of insights or questions and not on the frequency of participation – though an unexcused absence from class obviously does factor into class participation. The best comments will advance class discussion and push thinking in new directions. Comments that are not respectful of classmates or show poor preparation will negatively affect class participation.

### Graded Material Overview

Activity:	Total:
Memo on Entrepreneurial Motivation	10%
Entrepreneur Interview	10%
Customer and Industry Interviews	20%
Opportunity Development Project	40%
Group and Class Participation	20%
Total:	100%

### Incompletes

An Incomplete may be given only when the student has been in attendance and has done satisfactory work to within two weeks of the end of the quarter and has furnished proof satisfactory to the instructor that the work cannot be completed because of illness or other circumstances beyond the student's control.

## **How does the Honor Code apply to my work in this course?**

In order to maximize the student learning experience, the work you submit should be your own. Other than working with fellow team members in accord within the boundaries outlined below, please do not seek or consider outside sources of information in preparing deliverables for the course. This includes students currently or formerly enrolled in the course as well as others outside Foster.

## **Class Attendance**

Student participation in the classroom plays a key role in the learning experience. Consequently, punctuality and regular attendance are important responsibilities.

# **Course Policies**

## **Academic Integrity and Student Conduct**

This program employs the principles and procedures espoused by the [University of Washington Community Standards and Student Conduct guidelines](#) 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. Suspected violations will be handled in compliance with the [University of Washington Student Conduct Code](#) as outlined in [Washington Administrative Code 478-121](#).

## **Copyright**

The course content is for class purposes only and are to be used only by the student enrolled in the course. All rights reserved. No part of this course may be reproduced, distributed, or transmitted in any form or by any means, including photography, video recordings, screen shots, or other electronic or digital methods, without the prior written permission of the instructor.

## **Access and Accommodations**

Your experience in this class is important to me. If you have already established accommodations with Disability Resources for Students (DRS), please communicate your approved accommodations to me at your earliest convenience so we can discuss your needs in this course.

If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (conditions include but not limited to; mental health, attention-related, learning, vision, hearing, physical or health impacts), you are welcome to contact DRS at 206-543-8924 or [uwdrs@uw.edu](mailto:uwdrs@uw.edu) or [disability.uw.edu](mailto:disability.uw.edu). DRS offers resources and coordinates reasonable accommodations for students with disabilities and/or temporary

health conditions. Reasonable accommodations are established through an interactive process between you, your instructor(s) and DRS. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law.

### **Religious Accommodations**

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at [Religious Accommodations Policy](https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/) (<https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/>).

Accommodations must be requested within the first two weeks of this course using the [Religious Accommodations Request form](https://registrar.washington.edu/students/religious-accommodations-request/) (<https://registrar.washington.edu/students/religious-accommodations-request/>).

### **Course Evaluation**

Course evaluations are done toward the end of the quarter during a predetermined time period. Students will have 24-48 hours to complete their course evaluation, which is delivered digitally from the UW Office of Educational Assessment.

All evaluations are anonymous and are used to make improvements to the course, and are included in a faculty member's annual review. It is important to complete the evaluations and provide your honest assessment both in the quantitative and qualitative measures.

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## **Tech Support**

### **Network Use Policies**

Please read the University of Washington's [Student Use of UW Computing Resources Policy](#).

### **Canvas Support**

<https://itconnect.uw.edu/learn/tools/canvas/canvas-help-for-students/>

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### **Syllabus Purpose and Disclaimer:**

This syllabus serves as a guideline for what to expect in this class and an implicit agreement between the instructor and the student.

Before contacting the instructional staff, please review these documents first to see if your question is addressed. Every effort will be made to avoid changing the course schedule, but adjustments may be necessary to accommodate errors, omissions, or unforeseen events (such as weather events).

In the event changes are made to the syllabus, students will be informed during class, on the course website, and via email. It is your responsibility to be aware of these changes, so please check your email and the course site often.

## APPENDIX 1: Assignments Overview

**Memo on Entrepreneurial Motivation** (10%). Read *Rich Versus King* (available on Canvas) and skim *Entrepreneurial Motivation* (available ). Prepare a memo of not more than two pages, single spaced, that addresses the following questions:

1. Do you want to be an entrepreneur? If so, why? If not, why not?
2. Regardless of your answer to the first question, if you were an entrepreneur, would it be more important to you to be "rich" or to be a "king" (as Wasserman uses these terms)?
3. What factors would motivate you to pursue paid employment over entrepreneurship and vice versa?
4. What skills and resources do you currently possess or could you easily access that would allow you to be a successful entrepreneur?
5. What skills and resources do you currently lack that would make it difficult for you to be a successful entrepreneur?
6. Do you currently have business ideas or products that you would like to pursue with a startup?

This is an individual assignment. Your grade will be based on how well your memo integrates ideas covered in class in Session 1 and in the readings referenced above. Points will be deducted for gross grammatical errors and for going over the page limit.

**Entrepreneur Interview** (10%). You are required to interview an entrepreneur and assess the venture he or she has started. The goal is to get a comprehensive understanding of the venture creation process and the role *personal agency* (i.e., individual initiative, action, and decisions) plays in entrepreneurship. In this interview, you should highlight the entrepreneur's background, how he or she recognized an opportunity to pursue, the factors that enabled the entrepreneur to grow the venture, and the reasons for exit. This is a group assignment. See the attached Appendix 2 for the interview protocol that the group should use. Use the provided questions in this protocol as your guide. We strongly recommend recording the interviews. Many groups in the past have also found it helpful to have the recording transcribed. Limit your written interview report to two to four pages (12 font size, 1 inch margins on all sides, and 1 - 1.5 spacing). This assignment will account for 20% of your grade.

**Customer and Industry Interviews** (20%). Using material introduced in the first two classes, you will personally interview at least 5 potential customers, end-users, or industry experts related to the opportunity your group is pursuing. (Note: In the case of certain B2B ideas, each group member may conduct 3 interviews - though please confirm with the professors or the course TA this is acceptable). Where possible, interviews should be done in person, though they may also be done via phone or skype based on the location of the informant and work commitments. Before conducting your individual interviews, your group will complete a draft "Business Model Canvas"; this will be especially helpful in making explicit your current hypotheses and known unknowns.

Your individual write-up should briefly review your entrepreneurial idea, discuss who was interviewed, identify why you selected these informants, and depict what was learned. In terms of learnings, be sure to cover which of your prior beliefs were supported, what known unknowns

were resolved, and what unknown unknowns were identified. You should conclude with a list of key take-aways from the interviews that you conducted (versus lessons from the interviews of your teammates). Your write-up should be 3 pages, and may include appendices summarizing the individual interviews. This individual assignment will account for 20% of your grade.

**Opportunity Development Project** (40%). As part of this course, you are required to identify, research, and analyze an entrepreneurial opportunity for a venture envisioned by your group, and plan for how you would pursue this opportunity. Note that this is a combination of opportunity analysis and execution plan; it is not a business *plan* as the term is often used in entrepreneurship. This is an important distinction to understand. While a business plan is a pitch document – or, increasingly, a pitch deck - that is given to investors, your opportunity development document is intended to be an *internal* document that helps you assess if an opportunity is worth pursuing and how you would pursue it. In other words, while a pitch deck is the document you might initially show to investors to see if they would be interested,<sup>1</sup> your opportunity development plan addresses the questions you should have first been asking yourself and which an investor is likely to ask in follow-up meetings.

See Appendix 3 for further information, including details on how to structure the submission document. Additionally, this process will be guided by the text “Disciplined Entrepreneurship,” which provides a guiding process and helpful hints for researching and analyzing an idea. This is a group assignment. The opportunity development document will account for 40% of the final grade. Also, we will be strict about the 10 page limit; additional details should be included in appendices as necessary. Please submit the final document as a single file, either in word or pdf form (please do not include additional spreadsheets, etc).

**Unmet Need Memo** (Group; 1 page; Ungraded). Please submit a 1-page memo about an unmet need the you plan to address by 11:59pm on Sunday, October 12<sup>th</sup>, 2020. As discussed on the first day of class, this should focus only an unmet need that you see in the market place. This should be just a quick executive summary to let us know that your team has chosen a need to explore further, and what are your key research steps going forward. You do not need to have a developed solution for that need at this time. As you select opportunities, keep in mind that you will need to do original interviews with potential customers, end-users, and industry experts. This assignment will not be graded, but we will give you feedback to help you move forward to the next stage of the assignment.

**Peer Feedback on Opportunity Development Drafts** (Individual; Completed/Not Completed; Part of Group and Class Contribution Grade). A big shift in the entrepreneurial landscape over the last decade has been the emergence of “Accelerators.” These are fixed-length programs that provide cohorts of ventures with intensive mentoring and guidance. Today, about one-third of all ventures that ultimately raise venture capital have participated in an accelerator. Using proprietary data from top accelerators, research out of UW indicates that accelerators have a large causal effect on venture development by helping ventures efficiently refine their business model, strategy,

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<sup>1</sup> For a good reference on creating a pitch deck, see Get Backed by Evan Loomis and Evan Baehr.

and execution plans. A key driver of these benefits is receiving early feedback from others.

We will use a similar approach in this class by having you provide and receive feedback on business plan drafts from your classmates. Each member of your team will be paired with a different classmate.

**Group and Class Contribution** (20%). The expectation within this class is that everyone makes a substantive contribution to both the group project and class participation. For the group project, each member will complete after the project a confidential evaluation of the extent and professionalism of the contributions of the rest of their team. This form may be found on Canvas. For within class participation, notes will be made after each session about each class member's engagement in class discussion and preparedness of the case and readings. To be clear for class participation, the emphasis is on the caliber of insights or questions, and not on the frequency of participation – though an unexcused absence from class obviously does factor into class participation. The best comments will advance class discussion and push thinking in new directions. Comments that are not respectful of classmates or shows poor preparation will negatively affect class participation. We expect you to be prepared to be "cold called" during the case discussions.

### **Deliverable Deadlines**

All deliverables are due to Canvas by 11:59pm on the noted date. Be sure to include the name of all group members / yourself. For group assignments, only one group member should submit to Canvas.

<b>1. Memo on Entrepreneurial Motivation</b>	Due: October 4 <sup>th</sup>
<b>2. Unmet Need Memo</b>	Due: October 11 <sup>th</sup>
<b>3. Customer and Industry Interviews</b>	Due: October 19 <sup>th</sup>
<b>4. Interview with an Entrepreneur</b>	Due: November 9 <sup>th</sup>
<b>5. Draft of Opportunity Development Plan for Peer Feedback</b>	Sent to Matched Partner by 11:59pm, October 26 <sup>th</sup>
<b>6. Final Submission – Opportunity Development Project</b>	Due November 9 <sup>th</sup> or Earlier
<b>6. Group Member Contribution Form (Confidential)</b>	Due December 11 <sup>th</sup> or Earlier

## **APPENDIX 2: Interview Protocol**

### **Interview an Entrepreneur Assignment**

#### **STEP 1: Contact the person you have selected and make an appointment.**

Be sure to explain why you want the appointment and to give a realistic estimate of how much time you will need.

#### **STEP 2: Identify specific questions you would like to have answered and the general areas about which you would like information. (See suggested interview questions in step 3.)**

Using a combination of open-ended questions, such as general questions about how the entrepreneur got started, what happened next, and so forth, and closed-ended questions, such as specific questions about what his or her goals were, if he or she had to find partners, and so forth, will help to keep the interview focused and yet allow for unexpected comments and insights.

#### **STEP 3: Conduct and record (if okay with the interviewee) the interview.**

Recording the interview on audiotape can be very helpful to you later and is recommended unless you or the person being interviewed objects to being recorded. Remember, too, that you most likely will learn more if you are an interested listener. To help the entire group learn from and reflect upon the interview, past groups have found it helpful to have the interview transcribed for future reference.

If the person interviewed being objects, ask if you can write down particularly relevant and interesting quotes to use in your report.

#### **The Interview**

Here are some suggested interview questions. Please feel free to omit questions or use other questions based on the individual's specific background or venture. However, do be sure to touch on each of the areas in this interview guide.

#### ***Would you tell me about yourself before you started your first venture?***

- Were your parents, relatives, or close friends entrepreneurial? How so? Did you have any other role models?

- What was your education/military experience? In hindsight, was it helpful and in what specific ways?
- What was your previous work experience? Was it helpful? What particular "chunks of experience" were especially valuable or irrelevant?
- Did you have a business or self-employment during your youth?
- In particular, did you have any sales or marketing experience? How important was it or a lack of it to starting your company?

***How did you start your venture?***

- How did you spot the opportunity? How did it surface?
- What were your goals? What were your lifestyle needs or other personal requirements? How did you fit these together?
- How did you evaluate the opportunity in terms of the critical elements for success?
- The competition? The market? Did you have specific criteria you wanted to meet?
- Did you find or have partners? What kind of planning did you do? What kind of financing did you have?
- Did you have a start-up business plan of any kind? Please tell me about it.
- How much time did it take from conception to the first day of business? How many hours a day did you spend working on it?
- How much capital did it take? How long did it take to reach a positive cash flow and break-even sales volume? If you did not have enough money at the time, what were some ways in which you bootstrapped the venture (bartering, borrowing, and the like). Tell me about the pressures and crises during that early survival period.

- What outside help did you get? Did you have experienced advisors? Lawyers? Accountants? Tax experts? Patent experts? How did you develop these networks and how long did it take?
- How did any outside advisors make a difference in your company?
- What was your family situation at the time?
- What did you perceive to be your own strengths? Weaknesses?
- What did you perceive to be the strengths of your venture? Weaknesses?
- What was your most triumphant moment? What was your worst moment?
- Did you want to have partners or do it solo? Why?

***Once you got going:***

- What were the most difficult gaps to fill and problems to solve as you began to grow rapidly?
- When you looked for key people as partners, advisors, or managers, were there any personal attributes or attitudes you were especially seeking because you knew they would fit with you and were important to success? How did you find them?
- Are there any attributes among partners and advisors that you would definitely try to avoid?
- Have things become more predictable? Or less?
- Do you spend more time, the same amount of time, or less time with your business now than in the early years?
- Do you feel more managerial and less entrepreneurial now?
- In terms of the future, do you plan to harvest? To maintain? To expand?

- In your ideal world, how many days a year would you want to work? Please explain.
- Do you plan ever to retire? Would you explain?
- Have your goals changed? Have you met them?
- Has your family situation changed?
- What do you learn from both success and failure?

### ***Questions for Concluding***

- What do you consider your most valuable asset -- the thing that enabled you to make it?
- If you had it to do over again, would you do it again, in the same way?
- As you look back, what do you feel are the most critical concepts, skills, attitudes, and know-how you needed to get your company started and grown to where it is today? What will be needed for the next five years? To what extent can any of these be learned?
- Some people say there is a lot of stress being an entrepreneur. What have you experienced? How would you say it compares with other "hot seat" jobs, such as the head of a big company or a partner in a large law firm or accounting firm?
- What things do you find personally rewarding and satisfying as an entrepreneur? What have been the rewards, risks, and trade-offs?
- Who should try to be an entrepreneur? And who should not? Can you give me any ideas there?
- What advice would you give an aspiring entrepreneur? Could you suggest the three most important lessons you have learned? How can we learn them while minimizing the tuition?
- Would you suggest any other entrepreneur or other people, we should talk to? (Make sure you get their contact information).

#### **STEP 4: Evaluate what you have learned.**

Write down the information you have gathered in some form that will be helpful to you later on. Be as specific as you can. Jotting down direct quotes is more effective than statements such as "highly motivated individual." And be sure to make a note of what you did not find out.

#### **STEP 5: Write a thank you note.**

This is more than a courtesy, it will also help the entrepreneur to remember you favorably should you want to follow up on the interview.

#### **STEP 6: Transcribe the interview (suggested, but optional).**

Past groups have found that transcribing the interview makes it easier to have the group discuss and reflect on the lessons learned from the group. Here are some online transcription services (and please let us know if you have other recommendations):

- Rev.com – used and recommended by a number of groups last year.  
(Coincidentally and in full disclosure, I know members of their engineering team)
- Transcribe.com – have not used them, but they have major clients.
- TranscriptionPuppy.com - have not used them, but they have a puppy on their homepage. Look slightly cheaper than rev.com or transcribe.com.

#### **WRITE-UP INSTRUCTIONS**

The purpose of the exercise is for you to learn something directly from an entrepreneur. Here is our "suggested" outline sections for the write up you are going to submit to us for grading. You are free to follow an outline that fits your particular interview or circumstances.

We would like you to emphasize the following main points:

1. Background and experience
2. Opportunity recognition
3. Resource mobilization (exploiting the opportunity)

4. Entrepreneurial actions post venture formation
5. Connections to class frameworks and concepts, other lessons, and concluding thoughts. What have you learned about the four points above? What was most insightful for you or your team? How does this information you have collected relate to the cases/concepts/frameworks we discussed in class? What new insights did you get from this interview, if any and to what other situations might these lessons apply? Etc. *This final section of your report is very important and hence we suggest that it be at least two pages and not just one concluding paragraph!*

**Your report should be two to four pages (1 - 1.5 spacing, font size 12, 1 inch margins). Let me know if you have any questions. Have fun!**

## APPENDIX 3: Opportunity Development Project Team Project

### **Goal:**

The objective is to develop an entrepreneurial idea, assess its attractiveness, and plan how you would pursue the idea. Note that this is a combination of research summary and execution plan; it is not a business *plan* as the term is often used in entrepreneurship. This is an important distinction to understand. While a business plan is a pitch document that is given to investors, your opportunity development document is intended to be an *internal* document that helps you assess if an opportunity is worth pursuing and how you would pursue it. Developing this document will also prepare you to answer the types of questions investors and potential hires are likely to ask about the venture.

See the “Deliverables” section at the start of the syllabus for details about due dates for each portion of this assignment.

1. You will be required to submit a 1-page memo about an unmet need that your group is considering addressing. As discussed on the first day of class, this should focus only an unmet need that you see in the market place. This should be just a quick executive summary to let us know that your team has chosen a need to explore further, and what are your key research steps going forward. You do not need to have a developed solution for that need at this time. As you select opportunities, keep in mind that you will need to do original interviews with potential customers, end-users, and industry experts. This assignment will not be graded, but we will give you feedback to help you move forward to the next stage of the assignment. This should be submitted to Canvas, with one submission per a group; be sure to include all group member names.
2. You will be required to submit a draft of your opportunity analysis plan to a “matched peer partner.” You will receive feedback from your matched peer on your plan and provide feedback on your matched peer’s plan during class.
3. You will be required to submit your final opportunity analysis plan at the end of the quarter, as described in the “Deliverables” section at the start of the syllabus. This is a firm deadline and late projects will not be accepted. This should be submitted to Canvas, with one submission per a group; be sure to include all group member names.

## **What type of idea should you pursue?**

Your team should focus on an idea that one or more of the members might actually be interested in pursuing. As we will discuss in the course, the business does not necessarily need to be a candidate for outside equity funding – i.e., it does not have to involve a billion dollar market opportunity funding. At the same time, we encourage you to pursue an idea that could at least seem to be “life changingly profitable” for any founders if the opportunity were to prove successful (note that this does not need to be the entire team). Entrepreneurship is difficult and risky with many unknowns at the inception of an idea. Thus, you want to focus on opportunities that have the potential to justify the risk and opportunity costs involved (though we will also spend a lot of time in this course talking about how to lower risk, financial costs, and opportunity costs).

### **Advice on finding an idea**

As we will discuss in class, we strongly advise you start with an unmet need. For reasons we will discuss in class, it is generally much easier to find a business model / technology that can address an unmet market need versus the other way around. In contrast, many entrepreneurs are often enamored with a solution for which there is too little market interest.

Don’t worry if you don’t arrive with an unmet need already in mind. During the first classes, we will also introduce a number of tools and frameworks to assist you in finding an idea by starting with a market or social trend of interest. In general, whether you come with a need or not, these approaches will rely on you getting out “in the field” to identify or verify an unmet need, and then working to find a viable and superior solution to that unmet need.

Also guiding your discovery process will be the steps recommended in the course text, *Disciplined Entrepreneurship*. If you want to get started ahead of time, you may find Steps 0 and 1 useful (pp. 16-40).

Additionally, here are a few things you can begin doing now to identify markets and trends where you may wish to look further for unmet needs:

- Keep a list of frustrations you encounter over the course of a week
- Why are current solutions insufficient in these instances? What would you pay to solve these problems?

- With what enterprise markets do I frequently interact?
- Ask those with purchasing authority in these markets about their biggest challenges and frustrations.
- What has surprised me recently?
- Did you learn something from the surprise that is not common knowledge? Is there an opportunity around that “secret”? Why have others not recognized it?
- Look at your credit card statement
- Where are you relatively price insensitive? In other words, what would you continue to purchase even if the price was increased substantially? Where would you be willing to pay more for superior products or services?
- What trends am I seeing?
- What needs / solutions do these trends create?

### **Format of the opportunity development plan**

While different entrepreneurs take different approaches to writing their planning documents, we have generally found the following format to work well for most entrepreneurs. Additionally, you may also find the executive summaries of prior entrants in the Business Plan Competition to be helpful:

<http://foster.uw.edu/centers/buerk-ctr-entrepreneurship/entrepreneurship-competitions/business-plan-competition/preparation/>. (Note that these plans are templates for that competition, which has a slightly different focus than the plans for this class).

Your overall plan should be 5 pages or less, with one-inch margins and the primary font of size 12, legible, and submitted as a single pdf document (no attachments please). We will be strict about the page limit, and will not read text beyond the 5<sup>th</sup> page. You may also include appendices that detail key economic assumptions, a summary of your interviews, and any lean entrepreneurship tests you have conducted.

A key element of the assessment will be on the rigor of your original research, and the extent to which the research supports the conclusions drawn in the plan. You may summarize this research either in the body of the plan or in footnotes, and elaborate on key elements of it in relevant appendices (i.e., including a one-page appendix summarizing the groups interviews).

*Suggested format:*

## **Executive Summary**

Summary of target problem and solution. Overview of why your idea represents a true opportunity. A one-page summary of the rest of the business plan.

## **Problem**

Briefly describe the pain faced by the customer, and how do they solve the problem today. If there are closely related offerings, which competitors provide them and why are the current alternatives not sufficient?

As discussed in class, it is critically important that you conduct primary research and directly interact with a number of prospective customers. For guidance see *Disciplined Entrepreneurship* Steps 1 & 2, as well as the assigned reading from *Jobs to Be Done*. This should include:

- Who is your target paying customer and what is their unmet need? (Note: focus here on your initial, beachhead market as defined in Disciplined Entrepreneurship) (D.E.<sup>2</sup> Steps 1 and 2)
- What are the current alternatives available for solving this need, who provides them, and why are they inadequate?

## **Solution**

Briefly describe your product or solution, and the value proposition it offers to your target customers. This should include:

- High-level product description (including a possible mockup) (D.E. Step 7)
- Brief overview of distribution model (if relevant)
- The value proposition that this product provides to your customers (Based on the nature of the opportunity, you may find it helpful to quantify this; see D.E. Step 8)
- What evidence do you have that the target customers are likely to be interested in your product or service? (see class discussion about customer research and lean entrepreneurship. See also D.E. Step 9)

## **Market**

A more detailed description of the customer segment you will initially target and your customer acquisition plan. This should include:

- Initial Target Market
- Overview of Initial Target (Beachhead) Market (D.E. Steps 1 and 2)
- Profile of target users (D.E. Step 3)
- Example of one particular target customer (D.E. Step 5)

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<sup>2</sup> D.E. – Disciplined Entrepreneurship, Bill Aulet. Wiley, 2013. This text is a nice complement to the material covered in class, and provides additional details and examples on how to research each of the noted questions.

- How do customers in this market typically search for, evaluate, and purchase products? Who makes the purchasing decision and who influences the process? (Especially critical for B2B models) (D.E. Step 12)
- Total addressable market size for initial market – be sure to footnote sources for underlying data (D.E. Step 4)
- Market stage and key trends – how fast is the market growing? Key disruptions?
- Initial Customer Acquisition Plan - based on your research into the customer segment, summarize the process by which customers will decide to purchase your product and how you will market to these customers. (D.E. Steps 13 and 18)
- (Optional, and should be brief) Follow-on markets
- Description of any follow-on markets, including total addressable market size and what product / service adaptations would be necessary (D.E. Step 14)

### ***Business Model Economics***

To what extent are you likely to make money on each product or service you sell? Building on Class #3 and the Steps 16, 17, and 19 in Disciplined Entrepreneurship you should build a financial model that explores your pricing and costs. As a first priority, focus on unit economics (i.e., profitability and breakeven at the transaction / contribution margin level). Then consider the firm-level economics. Note: Footnotes are particularly helpful here in providing details and sources for underlying assumptions. Likewise, details of the financial model may be placed in the appendices. Original research will likely be necessary to develop these estimates.

- Pricing framework (D.E. Step 16)
- Estimates of cost of customer acquisition and other key costs (D.E. Step 19), including how you determined these. (This may be further elaborated in an appendix)
- Unit economics (see Class #3)
- Customer breakeven point and Lifetime Value of an Acquired Customer (D.E. Step 17)
- 3-year financial forecasts for the business
- *Note: Appendices and footnotes are quite helpful for this section!*

### ***Competition and Competitive Advantage***

Identify and describe your potential competitors and describe the nature of your competitive advantage vis-à-vis your competitors. How do you intend to sustain your competitive advantage in the short-term, and in the long-term? This should include:

- Who are your current competitors? How are you differentiated? (D.E. Step 11)

- Who else is well-positioned to enter the market and compete?
- What is your plan for a sustainable competitive advantage? That is, assuming there is interest in your offering, how do you plan to defend it against possible imitators? (D.E. Step 10). (Note that for some plans there may not be a source of sustainable competitive advantage; just be explicit).

### ***Progress to date; Next steps***

Briefly describe how you intend to exploit your venture opportunity. Highlight your “go to market” strategy by outlining the milestones you have set for the venture.

- Progress to date
- Key remaining unknowns (see Lean Start-up reading from class)
- Key next steps