Entrepreneurship

TMP122, Summer 2016

PROFESSOR: Trip Hawkins  
CLASS: Tues. & Thur., 1:00 – 2:40 PM
OFFICE: TMP Office Phelps 1334  
CLASSROOM: Phelps 1420
OFFICE HRS: Tues & Thur: 2:40 – 3:40 (first come, first served – no appointments necessary)
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ALL work for TMP122 must be turned in through GauchoSpace - TMP 122 only.

Students MUST bring a “tent card” that displays their name in large felt-pen letters that are easy to read from a distance and MUST also bring RED ParSCORE sheets AND # 2 pencils to every class for periodic quizzes.

Course Description

TMP 122 is an overview of the venture creation process. Topics covered include: the purpose and identity of an entrepreneur and innovator, analysis and validation of new business opportunities, development of business value propositions, team building, venture financing, new venture planning, managing and protecting intellectual property, business formation, pitches, pivots, leadership and other topics relevant to the entrepreneurial process. We focus on “creating something from nothing,” which incorporates non-profits, service businesses, lifestyle businesses, as well as high-tech startups.

Classes will be highly interactive and require significant individual and group level preparation and participation. Using the texts and handouts as well as assigned readings, students will be expected to apply new information, concepts and interpersonal skills to a final team-based “New Venture Feasibility” project. Student teams will develop potential business ideas and improve these in order to present a final presentation to a panel of entrepreneurs.
The course is only open to upper-division undergraduate and graduate students.

**Course Objectives**

This course focuses on hands-on, real-world application of entrepreneurial principles. It rewards students interested in leading or participating in an entrepreneurial venture by providing them with tools that facilitate complex, dynamic decision-making. The course focuses on principles, concepts, skills, practices, information, and choices relevant for start-up and early-stage entrepreneurs, entrepreneurial managers, and their stakeholders.

It is a complex and demanding course with two basic objectives. The first is to teach effective entrepreneurial and general management practice from the perspective of the founder and stakeholders. The second is to apply the entrepreneurial perspective in order to approach business problems from a value creation framework.

The course content focuses on the critical role of opportunity creation and recognition of the entrepreneur, as the principle success factor in new enterprise formation and life cycle.

The class will teach students how to:

1. Identify and determine the critical driving forces of the new venture success
2. Create, identify, and differentiate profitable and durable opportunities
3. Evaluate and determine how to create and build value
4. Identify and determine financial and non-financial resources available for new ventures
5. Identify business models and components of a business plan
6. Work in cross-disciplinary new venture teams

**Required Reading**

NOTE: This course does not utilize the UCSB bookstore. All books may be purchased via retailers, such as Amazon.com. ALL REQUIRED BOOKS ARE ON RESERVE AT THE TMP LIBRARY (not the University library). You may find some of the required and recommended reading in various public libraries.

*JG.com Reader— For those who want a hardcopy, Readers are available in class for $20
Individual Reader readings (using the search function) are also available online at: [www.johngreathouse.com](http://www.johngreathouse.com)*

*The Art of the Start*, Guy Kawasaki

*The MouseDriver Chronicles: The True-Life Adventures of Two First-Time Entrepreneurs*, John Lusk & Kyle Harrison

Any of the books in the Recommended Reading section below may be read and used for one of the required or bonus essays. You may also propose for approval another book that is not listed below, including other books by or about famous entrepreneurs. Read at least a few of these, based on your current interests. Try to read all of them within five or ten years.
Recommended Reading

Accidental Millionaire, Lee Butcher
Becoming Steve Jobs, Brent Schlender
Born Entrepreneurs, Born Leaders, Scott Shane
Building Social Business: The New Kind of Capitalism That Serves Humanity's Most Pressing Needs, Muhammad Yunus
Built to Last, Jim Collins and Jerry Porras
Business as Unusual, Anita Roddick
Creativity Inc., Ed Catmull
Emotional Intelligence, Daniel Goleman
Fire in the Valley, Paul Freiberger
First, Break All the Rules, Marcus Buckingham and Curt Coffman
Getting the Love You Want, Harville Hendrix
Good to Great, Jim Collins
High Output Management, Andy Grove
How to Win Friends and Influence People, Dale Carnegie
Iron John, Robert Bly
Let My People Go Surfing: The Education of a Reluctant Businessman, Yvon Chouinard
Losing My Virginity: How I've Survived, Had Fun, and Made a Fortune Doing Business My Way, Richard Branson
Please Understand Me, David Keirsey and Marilyn Bates
Positioning: The Battle for Your Mind, Al Ries and Jack Trout
Replay: The History of Video Games, Tristan Donovan
Seven Pillars of Wisdom, T.E. Lawrence
The Art of War, Sun Tzu
The Culture Code, Clotaire Rapaille
The Five Dysfunctions of a Team, Patrick Lencioni
The Hard Thing about Hard Things, Ben Horowitz
The Innovator’s Dilemma, Clayton Christensen
The Lean Startup, Eric Ries
The Man Behind the Microchip: Robert Noyce and the Invention of Silicon Valley, Leslie Berlin
The Master Switch, Tim Wu
The One Minute Manager, Ken Blanchard and Spencer Johnson
The Startup Owner’s Manual, Bob Dorf and Steven Blank
The Strategy of Conflict, Tom Schelling
The The Map of Innovation, Kevin O’Connor
The Uncommon Wisdom of Oprah Winfrey: A Portrait in Her Own Words, Oprah Winfrey and Bill Adler
Theory Z, Bill Ouchi
Zero to One, Peter Thiel
Assignments

Students are expected to have completed the readings for each session and to arrive for class prepared and on time ready to discuss the assignments and its application to new venture ideas. Everyone will participate in a number of team activities; a team is defined as 4 - 6 people (depending on the overall class size). Ideally, each team should have at least one engineer or science student and at least one business/economics student.

*In-class exercises* are completed individually and in groups during class. *Assignments* will be completed either individually or by the team outside of class.

**Startup Project Feasibility Study**

Prepare an opportunity assessment and present it to a panel of experienced entrepreneurs. Each team will have approximately 15-to-20-minutes (depending on the overall class size) to present a PowerPoint presentation with attachments that are appropriate to articulate the team’s new venture idea. See Exhibit A for the criteria that shall be used to evaluate the Feasibility Study presentations.

The *Feasibility Study* is a team assignment that lasts over the term and results in a presentation to a panel in the final week of the course. Final grades will be the result of evaluation by the Instructor, your team members, and the panelists on the final *Startup Project Feasibility Study* presentation.

The Feasibility Study will be conducted over much of the course. Associated assignments will be submitted over the term to assist students in remaining on track for the final presentation.

Consider the following when crafting your Startup Project Feasibility Study:

- Develop ideas for a new product or service
- Determine if the product or service has a meaningful market potential
- Determine if the product or service is technologically feasible
- Determine the business model that will enable you to generate appropriate cash flows
- Identify attributes that are important and solicit customer feedback as your concepts evolve
- Identify market segments and estimate the size/potential growth rate; market test price points, distribution methodologies, etc.
- Build or demonstrate a prototype of your product or service and identify the resources needed to produce it economically
- Conduct a rough financial analysis
- What type of organization would you form to pursue this opportunity?
- What Intellectual Property protection is needed?

**IMPORTANT:**

**All Assignments are to be turned in on GauchoSpace.**

Every assignment must be submitted via GauchoSpace, even if you hand in a printed paper copy. If you do not submit your assignment on GauchoSpace, it will not be considered turned in.

**All quizzes utilize ParSCORE forms.** Please have one with you for each class so you can accommodate any unannounced quizzes. See Exhibit B for further instructions regarding these forms.
Grading

• 10% Leadership – On teams, ideas, initiative, effort, other contributions in and to class
• 10% In-Class Participation – punctuality, attendance, discussion, ideas, Q&A
• 20% Quizzes – these will be in class with no prior warning
• 20% Essays – there will be 2 of these, planned in advance, see below
• 10% Peer Evaluation – summary view of your teammates about you
• 30% Startup Project – primarily judged from final presentation
• 10% Extra Credit – see below

Essays are three (3) pages in length. The first essay (“Book Report”) requires you to entirely read one of the Recommended Reading books and then to summarize the book in the context of how lessons learned from it apply to your project team and your role in it.

The second essay (“Why Me?”), or Self-Assessment, is an introspective examination of your identity in terms of genetics, family, culture, values, personality type, goals and motives that lead to a conclusion about your life passion, mission and purpose. The essay should consider experiences, desires, strengths, weaknesses, etc. that will influence whether or not you will be a successful entrepreneur. This analysis should include a description of the type of team you will need to bring together in order to launch a successful venture, as well as the customer target markets, technologies, industries etc. that are the most appropriate fit for you. The specific skills to be embodied by this team should be articulated. Such skills are likely to be in those areas in which you are deficient, inexperienced and/or uninterested in pursuing. This analysis should also include where your ‘risk profile’ falls on the risk spectrum (i.e., from “I am ready to mortgage my house today” to “I am most comfortable working at a Fortune 500 company”). Your grade will be based on the extent to which you demonstrate a deep, realistic self-awareness and the degree to which you are able to utilize your self-awareness to select the most appropriate entrepreneurial / non-entrepreneurial work environment, type of team members, types of market opportunities, etc. that will maximize your chances of success.

The team Startup Project will receive one grade for all team members. Each student will also be reviewed by his or her team members (Peer Reviews).

Extra Credit is not required and must be earned. You have the opportunity to submit up to 5 different Executive Summary one-page papers, each worth up to 2% of your overall grade based on quality, that personalize your interpretation and valuation of one of the books on the Recommended Reading list, or your “book report” of a live public speaking event that you choose to attend because the live featured speaker is an entrepreneur or business leader (no politicians, please).

You will note that a perfect grade above means you have “given 110%” if you have earned all the extra credit points. Alternatively you can view the extra credit as a “contingency plan” or way to compensate for other areas of potential shortfall.
# New Venture Creation: Entrepreneurship
## TMP 122

## Course Schedule

*ALL work for TMP122 must be turned in through GauchoSpace - TMP 122 only.*

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<td>01</td>
<td>Tues., June 21</td>
<td>Lecture 1</td>
<td>Introduction to Entrepreneurship</td>
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|      | Thur., June 23 | Lecture 2 | What: Entrepreneurial Characteristics | Reader - Personal Pitch  
Reader - Bank Robber or ATM Operator  
Reader - Entrepreneurship Is A Compulsion  
Reader - Why Entrepreneurs Hate (Most) MBAs  
Reader - Every Startup Dollar Should Yield A Return  
Reader - The Book - A Startup's Rookie Advantage  
Reader - Optimistically Pessimistic | Come with an idea for a new product. |
| 02   | Tues., June 28 | Lecture 3 | Who ARE You? Entrepreneurial Identity and Process | Art of the Start - Chapter 1 and 5  
Mouse Driver Chronicles – Pages 1-29  
Reader - Go For The Quick Buck…Then Stop  
Reader - How Do I Identify A Great adVenture Opportunity?  
Reader - Your Startup Idea Should Not Be Charming |  |
Mouse Driver Chronicles – Pages 30-45  
Reader - A Serial Entrepreneur’s Guide To Uncovering Awesome Startup Ideas  
Reader - Small Ideas, Big Benefits | Open season to pitch more new ideas. |

Optional Readings: Jim Collins, Built to Last  
Optional Readings: Clayton Christensen, The Innovator’s Dilemma
03 Tues., July 5
Lecture 5
Readings: Art of the Start – Chapter 3
Mouse Driver Chronicles – Pages 46-58
Steve Blank and Bob Dorf – Customer Development Manifesto:

Assignments: Essay # 1, “Book Report” is due.
Optional Readings: Steve Blank and Bob Dorf – The Startup Owner’s Manual

Thur., July 7
Lecture 6
Topic: Who Else: The Team
Readings: Art of the Start – Chapter 6
Mouse Driver Chronicles – Pages 59-71
Reader - - Mark Zuckerberg And Bill Gates Can Go Both Ways
Reader - - What's Your Tribal Role At Your Startup?
Reader - - Your Startup Should Emulate The Beatles, Not A Flock Of Seagulls
Reader - - Make Yourself Irresistible To A Startup
Reader - - How To Maximize Your Value At A Startup
Reader - - Startup Recruiting: Hire Cal Ripkin, Fire Reggie Jackson

Assignments: Prepare to position yourself to the rest of the class as a potential team member in only one sentence. Participate in Team Marketplace, form a team.
Optional Readings: David Keirsey - Please Understand Me, pages 129-155
Lencioni – The Five Dysfunctions of a Team

04 Tues., July 12
Lecture 7
Topic: Equity Sharing: Where's the Value?
Readings: Mouse Driver Chronicles – Pages 72-104
Reader - - Old Gray Advice
Reader - - Free Advice

Assignments: Brief Market Validation Pitches by teams.

Thur., July 14
Lecture 8
Topic: Business Strategies, Plans, Models
Readings: Art of the Start - - Chapter 4
Reader - - How To Make Freemium Customers Generate Revenue
Reader - - Here's How You Get A VC To Pull Out Their Checkbook
Reader - - Combustion Matters More Than Scale

Assignments: Remaining Brief Market Validation Pitches.
05 Tues., July 19 Lecture 9
Topic: Make vs. Buy: Partnering
Readings: Art of the Start – Chapter 8
Mouse Driver Chronicles – Pages 105-117
Reader - - Pressure – The Mother Of An Entrepreneur’s Motivation
Reader - - Create An Industry Alliance
Reader - - Making Revenue Sharing And Cost Savings Deals Work
Reader - - ConTraps – Avoid Exclusion From Future Revenue
Reader - - The Blondin Test
Reader - - Did You Just Fail The Partnership Idiot Test?
Reader - - Spilling the Beans
Reader - - Intellectual Property – Worthless To A Startup
Reader - - Kiss of Death Provisions

Assignments: Team focus on Startup Project (through rest of course).

06 Tues., July 26 Lecture 11
Topic: Guerrilla Startup Marketing
Readings: Art of the Start – Chapter 9
Mouse Driver Chronicles – Pages 140-184
Reader - - Putting “Trade” Back Into Tradeshows
Reader - - T-Shirts And Tacos
Reader - - Lousy Product Names
Reader - - What This Dive Bar Can Teach You About (Not) Marketing
Reader - - Killer Potato Salad Kickstarter Campaign
Reader - - DoubleClick's Guerilla Marketing Legacy
Reader - - Brad Feld: Want Customers? Stop Marketing

Assignments: Team focus on Startup Project (through rest of course).

Optional Readings: Clotaire Rapaille, The Culture Code
Al Ries and Jack Trout, Positioning: The Battle for Your Mind

Thur., July 28 Lecture 12
Topic: Sales and Operations
Readings: Art of the Start – Chapter 10
Mouse Driver Chronicles – Pages 185-238
Reader - - Be Like Sam
Assignments: Team focus on Startup Project (through rest of course).

Optional Readings: Dale Carnegie, How to Win Friends and Influence People

07 Tues., Aug. 2 Lecture13 Topic: **Failing Fast in the Belly of the Beast**


Assignments: Team focus on Startup Project (through rest of course).

Optional Readings: Eric Ries, The Lean Startup

Thur., Aug. 4 Lecture14 Topic: **Let’s Make a Deal – Liquidity, Exits and Negotiating**

Reader - - Maximize Your Exit By *Not* Selling Your Company Reader - - Pawn Stars Teaches Entrepreneurs How To *Not* Negotiate Reader - - Advice For Emerging Entrepreneurs

Assignments: Essay “Why Me?” Personal Assessment is due. Team focus on Startup Project (through rest of course).

08 Tues., Aug. 9 Lecture15 Topic: **Entrepreneurial Management and Leadership**

Assignments: Team focus on Startup Project (through rest of course).

Optional Readings: Ken Blanchard, The One Minute Manager

Thur., Aug. 11 Lecture16 Topic: **Pivots and the Russian Front**


Assignment: Startup Project Feasibility DRAFT Slide Deck of Presentation Post Team Photos

**Important: Required** Post the initial draft of your Startup Project Feasibility Study Presentation to GauchoSpace by Friday, midnight. Entire presentation should be represented, with our understanding that you will put significant additional work into finalizing your slides and pitch.

T.A. Meetings: Pre-presentation Practice Session: Strategic Evaluation Preparation (20 Min. Sessions)
09 Tues., Aug. 16 Lecture17
Topic: **Team Final Startup Project Feasibility Study Presentations, Day 1**

Required Deadline: All Team - Feas. 17 Assignments (Presentation Materials - Slides and Executive Summaries) are due on the Day your group gives its Final Presentation, by 2 pm.

01. Slides and Executive Summaries should be forwarded as PDF format

02. Slides and Executive Summaries should be forwarded as PowerPoint and Word formats
(Important: Needs to be compatible with Microsoft Office Suite - Versions 97-2004)

Presentation Day 01- Participation Assignment: **Poll Survey: TMP 122 Exhibit A - Feasibility Study Evaluation Form Feedback**

In Class Assignments: **Final Feasibility Study Presentations**

Assignments: **TMP122_ExhibitA_PresGrades_InClass.xls.pdf**

10 Thurs., Aug 18 Lecture18
Topic: **Team Final Startup Project Feasibility Study Presentations, Day 2**

Required Deadline: All Team - Feas. 17 Assignments (Presentation Materials - Slides and Executive Summaries) are due on the Day your group gives its Final Presentation, by 2 pm.

01. Slides and Executive Summaries should be forwarded as PDF format

02. Slides and Executive Summaries should be forwarded as PowerPoint and Word formats
(Important: Needs to be compatible with Microsoft Office Suite - Versions 97-2004)

Presentation Day 02- Participation Assignment: **Poll Survey: TMP 122 Exhibit A - Feasibility Study Evaluation Form Feedback**

In Class Assignments: **Final Feasibility Study Presentations**

Assignments: **TMP122_ExhibitA_PresGrades_InClass.xls.pdf**

Tues., Aug 23 Lecture19
Topic: **Post Mortem**

In Class Assignments: Any remaining Final Startup Project Feasibility Study Presentations, followed by group discussion and feedback.

Thurs., Aug. 25

**The Last Word**
Exhibit A - Feasibility Study Evaluation Form

Panelist: __________________________
Team Name: _______________________________________________
Final Score: _______________ (100 max potential)

Identification of customer problem, concept and description (10 points max) ____________
_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________

Thoroughness of data collection (10 points) ______________
_____________________________________________________________________________
_____________________________________________________________________________

Data analysis to reach conclusions regarding market potential, segments, etc. (10 points) ______
_____________________________________________________________________________
_____________________________________________________________________________

Technical feasibility (10 points) _____________
_____________________________________________________________________________
_____________________________________________________________________________

Business model, financial analysis, pricing, and cash flow pro forma (10 points) ______
_____________________________________________________________________________
_____________________________________________________________________________

Resources (components, people, info, marketing plan/partners, etc.) needed to make your product and launch the venture (5 points) ______________
_____________________________________________________________________________
_____________________________________________________________________________
Type of organization and why? What is your IP strategy and why? (5 points) __________

_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________

Presentation itself: quality of talk, executive summary document, slides, timeliness, and conclusion. (15 points) __________

_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________

Overall comments (25 points) ____________

_____________________________________________________________________________
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_____________________________________________________________________________
Class,

You are responsible for bringing the following to class for your Quizzes.

Required Materials - RED ParSCORE sheet, 8 1/2 x 11", Form No. F-1712-PAR-L - available at campus bookstore (image below). You must use a #2 pencil ONLY.

There are FOUR required sections that must be filled out correctly.

1. Student Enrollment Sheet section: I.D. Number (number must be written above and bubbles must be colored in below with #2 pencil)

2. Student Enrollment Sheet section: Last Name/First Name/M.I. (name must be written above, each letter must have corresponding bubble colored in with #2 pencil)

3. ParSCORE SCORE SHEET section: Fill in NAME, SUBJECT AND DATE. This section must be written neatly in LEGIBLE print (not cursive).

4. ParSCORE SCORE SHEET section: Fill in your Quiz answers in the numbered space corresponding to the number of the question.

You must use #2 pencil to completely color in the bubble that corresponds to your answer. Only one bubble can be colored in order to correctly score your sheet.

If you do not completely fill in the bubble, your answer may not be recorded. Do not make any marks in any other area.

If any of the FOUR sections described above are left blank or incomplete, you will receive a "0" GRADE.
Exhibit C - Student Final Assignment Checklist

Class:

Thank you for all of the hard work and dedication during this Fall Quarter. This handout is to help you finalize your responsibilities so you can finish this course successfully.

It is imperative and your responsibility to make sure that you have uploaded ALL assignments for the Quarter in GAUCHOSPACE in their proper locations.

If you are missing any grades for a Venture Idea assignment that was submitted ON TIME, then please forward your inquiries to the Teaching Assistant ASAP.

Here are the following steps that I would recommend that each one of you take:

1. Open your GauchoSpace account and confirm that you have uploaded each of your assignments in the proper location. ALL of your assignments must be turned in to the appropriate location on GauchoSpace. Emails do not count as properly submitted class work, per the course syllabus.

3. Confirm that you have received grades for Quizzes 1, 2, and 3. Note: you will receive a grade for Quiz 4 by Tuesday August 16th.

5. Confirm that your Extra Credit assignments have been uploaded properly.

6. If you met with the TA and received special permission to resubmit an assignment, please confirm that your resubmission was completed properly.

7. If you have missed an Assignment or a Quiz, please forward any Doctor’s notes before Tuesday, August 16th, at 5:00 pm. If you have been absent or missed a Quiz, it is your responsibility to make it clear to the TA that it was excused.

8. All Group Final assignments are due on GauchoSpace as an Assignment Upload for each Presentation day: Slides and Executive Summary. You must also complete the Final Poll Survey as required, which counts as your attendance for those days.

9. If you wish to amend your original Group Evaluation, there is a confidential Poll Survey on GauchoSpace for resubmission.

10. Tuesday, August 23rd, at 5:00 pm is the last opportunity for you or your Group to turn in any pre-approved late submission assignments for TMP 122.

Congratulations on doing all of the excellent work to complete this intensive course.

Good luck to you and your Group in the Final Presentation next week.