

**ENT 4132 – 001**

**CRN 93973**

**New Venture Launch**

**Fall 2014**

**FL 426**

**Mondays: 4:00-6:50 p.m.**

**Professor Information**

Gary Castrogiovanni

FL 205

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(561) 297-2523

**Office Hours**

Tuesdays and Thursdays, 2:30-4:00 p.m. in FL 205

# Required Text and Materials

None.

# Supplemental Texts

Blank, S. (2005). *The four steps to the epiphany.* Pescadero, CA: K and S Ranch.

Christensen, C. (2000). *The innovator’s dilemma.* New York: HarperBusiness.

Croll, A., & Yoskovitz, B. (2013). *Lean analytics.* Sebastopol, CA: O’Reilly Media.

Kander, D. (2014). *All in startup.* Hoboken, NJ: Wiley.

Kawasaki, G. (2004). *The art of the start.* New York: Penguin Group.

Wasserman, N. (2013). *The founder’s dilemmas.* Princeton, NJ: Princeton University Press.

**Course Description**

Students must already have sound business plans for new ventures before they can enroll in the course. Then, under the guidance of the instructor and entrepreneur mentors, they will proceed to implement their plans. The course uses a contract-learning model of evaluation based on the developmental needs of the particular business ventures.

**Course Prerequisites and Credit Hours and Class Time Commitments**

Prerequisites: Senior standing, ENT 3024, ENT 4114, and instructor permission. Three credits.

To maximize the benefits received from the course, students should spend a total of 135 hours inside or outside the classroom on the learning activities spelled out in this syllabus and in the contract they agree to at the beginning of the semester. On a per hour basis, the learning expected from course activities outside the classroom is equivalent to that which would result from classroom instruction.

**Course Learning Objectives**

1. An understanding of the problems and constraints faced by business founders as they implement their plans.
2. Skill at assembling and coordinating the resources needed to start a new business.
3. Ability to develop and use relevant metrics for assessing venture development.

**Grading Scale**

A = 93% or higher Exceptional: Performance could not be better.

A- = 90 – 92.9% Excellent: Not perfect, but pretty close.

B = 80 – 89.9% Good: Solid performance.

C = 70 – 79.9% Satisfactory: Met minimal course requirements.

F = less than 70% Unsatisfactory: Failed to meet even the minimal requirements.

**Course Evaluation Method**

*Activity Weight*

Contract Deliverables\* 60%

Supervisor Input 10%

Weekly Learning Log 10%

Book Review 10%

Mid-Term Presentation\* 5%

Final Presentation\* 5%

\*Team activity. Ordinarily, all team members will receive the same score. However, the instructor reserves the right to adjust individual grades downward if some team members do not perform their fair share of the work satisfactorily.

**Graded Activities**

**Contract Deliverables.** Before the semester starts, your team will be required to apply for instructor permission to enroll in the course. A proposal for the venture your team will launch will be included in that application, along with a startup timeline. Considering the items on that timeline, the instructor and entrepreneur-mentor (if any) will work out a contract with the team’s “CEO” (indicated on the application to enroll in the course) of the “deliverables” to be accomplished during the semester, and the specific weight given to each deliverable.

**Supervisor Input.** When your team applies for permission to enroll in the course, one team member will be designated as “CEO.” Normally, the Supervisor Input score for the CEO will be the same percentage as the team’s combined Contract Deliverables percentage, though the instructor reserves the right to adjust that upward or downward. The CEO will determine the Supervisor Input scores of team members, subject to the condition that their average cannot exceed the team’s combined Contract Deliverables percentage.

**Weekly Learning Log.** All students should maintain logs of (a) their course-related activities, (b) the time spent on those course-related activities, and (c) what they learned from those activities. The log should be updated and submitted to the instructor weekly. Thus, the log submitted should contain one weekly entry after the first week, two after the second week, three after the third week, and so on for the rest of the semester.

**Book Review.** Each student is required to read one of the books listed on this syllabus as “Supplemental Texts,” and submit an 8-10 page book review. Start your review with a one-page introduction that gives a broad summary of the book. Then, in about one page each, describe three ways in which your *thinking* about entrepreneurship changed as a result of things the book said. Be specific; explain fully; and give the page numbers where the insights you are describing can be found. (*Hint:* As you are reading the book, you might write down major insights and page numbers and then check these notes when you are ready to start writing this book review.) Next, in about one page each, describe three ways in which the book influenced your business launch activities and processes. Be specific; explain fully; and give examples of how your launch was affected. (If you were already doing something consistent with the book, you can discuss that as an example even though, strictly speaking, the book did not influence those activities or processes.) Finally, end your review with a one-page conclusion where you make summary comments about the book. E.g., was the book interesting or boring, easy or difficult to read, worthwhile or worthless? Explain. Would you recommend the book to others?

**Mid-Term Presentation.** Near the middle of the semester, your team will give a progress report to the rest of the class in the form of a 4-6 minute presentation. This should be a formally prepared presentation, with PowerPoints or other visual aids, but business attire is not necessary. Start the presentation with an overview of the business, consistent with what you might mention in an elevator pitch. Then, describe your Contract Deliverables and discuss the progress you have made on each.

**Final Presentation.** During the final exam period, your team will give an update to the rest of the class in the form of a 4-6 minute presentation. Like the Mid-Term Presentation, this should be a formally prepared presentation, with PowerPoints or other visual aids, but business attire is not necessary. Explain the extent to which you achieved each of your Contract Deliverables, what obstacles you encountered along the way, and what you did (or are doing) to get around them. Then, explain the major steps you need to take over the next 6-12 months in order to continue developing and building this business.

**Selected University and College Policies**

**Code of Academic Integrity Policy Statement**

Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty is considered a serious breach of these ethical standards, because it interferes with the university mission to provide a high quality education in which no student

enjoys an unfair advantage over any other. Academic dishonesty is also destructive of the university community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty. For more information, see [University Regulation 4.001](http://www.fau.edu/regulations/chapter4/index.php).

**Disability Policy Statement**

In compliance with the Americans with Disabilities Act (ADA), students who require special accommodation due to a disability to properly execute coursework must register with the Office for Students with Disabilities ([OSD](http://osd.fau.edu/)) – in Boca Raton, SU 133, (561) 297-3880; in Davie, MOD 1, (954) 236-1222; in Jupiter, SR 117, (561) 799-8585; or, at the Treasure Coast, CO 128, (772) 873-3305 – and follow all OSD procedures.

**Religious Accommodation Policy Statement**

In accordance with rules of the Florida Board of Education and Florida law, students have the right to reasonable accommodations from the University in order to observe religious practices **and beliefs with regard to admissions, registration, class attendance and the scheduling of** examinations and work assignments.  For further information, please see [Academic Policies and Regulations](http://www.fau.edu/academic/registrar/catalog/academics.php).

**University Approved Absence Policy Statement**

In accordance with rules of the Florida Atlantic University, students have the right to reasonable accommodations to participate in University approved activities, including athletic or scholastics teams, musical and theatrical performances and debate activities. It is the student’s responsibility to notify the course instructor at least one week prior to missing any course assignment.

**College of Business Minimum Grade Policy Statement**

The minimum grade for College of Business requirements is a “C”. This includes all courses that are a part of the pre-business foundation, business core, and major program. In addition, courses that are used to satisfy the university’s Writing Across the Curriculum and Gordon Rule math requirements also have a minimum grade requirement of a “C”. Course syllabi give individualized information about grading as it pertains to the individual classes.

**Incomplete Grade Policy Statement**

A student who is passing a course, but has not completed all work due to exceptional circumstances, may, with consent of the instructor, temporarily receive a grade of incomplete (“I”). The assignment of the “I” grade is at the discretion of the instructor, but is allowed only if the student is passing the course.

The specific time required to make up an incomplete grade is at the discretion of the instructor. However, the College of Business policy on the resolution of incomplete grades requires that all work required to satisfy an incomplete (“I”) grade must be completed within a period of time not exceeding one calendar year from the assignment of the incomplete grade. After one calendar year, the incomplete grade automatically becomes a failing (“F”) grade.

**Withdrawals**

Any student who decides to drop is responsible for completing the proper paper work required to withdraw from the course.

**Grade Appeal Process**

A student may request a review of the final course grade when s/he believes that one of the following conditions apply:

* There was a computational or recording error in the grading.
* Non-academic criteria were applied in the grading process.
* There was a gross violation of the instructor’s own grading system.

The procedures for a grade appeal may be found in [Chapter 4 of the University Regulations](http://www.fau.edu/regulations/chapter4/index.php).

**Disruptive Behavior Policy Statement**

Disruptive behavior is defined in the FAU Student Code of Conduct as *“... activities which interfere with the educational mission within classroom.”* Students who behave in the classroom such that the educational experiences of other students and/or the instructor’s course objectives are disrupted are subject to disciplinary action. Such behavior impedes students’ ability to learn or an instructor’s ability to teach. Disruptive behavior may include, but is not limited to: non-approved use of electronic devices (including cellular telephones); cursing or shouting at others in such a way as to be disruptive; or, other violations of an instructor’s expectations for classroom conduct.

**Faculty Rights and Responsibilities**

Florida Atlantic University respects the right of instructors to teach and students to learn. Maintenance of these rights requires classroom conditions which do not impede their exercise. To ensure these rights, faculty members have the prerogative:

* To establish and implement academic standards
* To establish and enforce reasonable behavior standards in each class
* To refer disciplinary action to those students whose behavior may be judged to be disruptive under the Student Code of Conduct.

**Additional Course Policies**

**Missing Exams**

There are no exams in this course.

**Late Assignments**

Late assignments will not be accepted.

**Attendance Policy**

Because the course involves launching an actual business, we will not meet regularly as a class. However, there are three class meetings where attendance is mandatory: (a) the initial meeting during the first week of the semester, (b) the period near the middle of the semester when the Mid-Term Presentations will be given, and (c) the final exam period when the Final Presentations will be given. In addition, all members of each team must meet with the Instructor and/or Entrepreneur-Mentor (if any) at least three times during the semester. *Failure to meet these attendance requirements may result in a grade of F for the course.* In accordance with University policies, the Instructor will make reasonable accommodations for University-approved absences. Subject to the Instructor’s discretion, such accommodations generally will require the student to spend a comparable amount of time attending something else to make up for the absence.

**Course Outline**

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| --- | --- | --- |
| *Date* | *Topic or Activity* | *Assignments* |
|  |  |  |
| Aug 21 | Course Introduction | MANDATORY ATTENDANCE |
|  |  |  |
| 28 | Contract Deliverables | Meet with Mentor and/or Instructor to develop contract |
|  | Relevant Launch Activities | ***Contract due (by email, one hour before class time)*** |
|  |  | ***Weekly learning log (due by midnight Sunday, Aug. 31)*** |
|  |  |  |
| Sep 4 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Sep. 7)*** |
|  |  |  |
| 11 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Sep. 14)*** |
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| 18 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Sep. 21)*** |
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| 25 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Sep. 28)*** |
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| Oct 2 | Relevant Launch Activities | ***Book Review due (by email, one hour before class time)*** |
|  |  | ***Weekly learning log (due by midnight Sunday, Oct. 5)*** |
|  |  |  |
| 9 | Mid-Term Presentation | MANDATORY ATTENDANCE; ***Presentation due in class*** |
|  | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Oct. 12)*** |
|  |  |  |
| 16 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Oct. 19)*** |
|  |  |  |
| 23 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Oct. 26)*** |
|  |  |  |
| 30 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Nov. 2)*** |
|  |  |  |
| Nov 6 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Nov. 9)*** |
|  |  |  |
| 13 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Nov. 16)*** |
|  |  |  |
| 20 | Relevant Launch Activities | ***Weekly learning log (due by midnight Sunday, Nov. 23)*** |
|  |  |  |
| Dec 4 | Final Presentation | MANDATORY ATTENDANCE; ***Presentation due in class*** |
|  |  | ***Supervisory Input due (by CEO, end of class)*** |
|  |  | ***ABSOLUTE DEADLINE FOR EVERYTHING*** |
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| \* Unless otherwise noted, written assignments are due **one hour before class begins**, and they should be submitted by email to the instructor (castrogi@fau.edu). **LATE ASSIGNMENTS WILL NOT BE ACCEPTED!** |

**Reading List**

**Books**

Blank, S. (2005). *The four steps to the epiphany.* Pescadero, CA: K and S Ranch.

Christensen, C. (2000). *The innovator’s dilemma.* New York: HarperBusiness.

Croll, A., & Yoskovitz, B. (2013). *Lean analytics.* Sebastopol, CA: O’Reilly Media.

Kander, D. (2014). *All in startup.* Hoboken, NJ: Wiley.

Kawasaki, G. (2004). *The art of the start.* New York: Penguin Group.

Lidow, D. (2014). *Startup leadership.* San Francisco: Jossey-Bass.

McGrath, R., & MacMillan, I. (2000). *The entrepreneurial mindset.* Boston: Harvard Business School Press.

Read, S., Sarasvathy, S., Dew, N., Wiltbank, R., & Ohlsson, A. (2011). *Effectual entrepreneurship.* New York: Routledge.

Ries, E. (2011). *The lean startup.* New York: Crown Business.

Wasserman, N. (2013). *The founder’s dilemmas.* Princeton, NJ: Princeton University Press.

**Journal Articles**

Chandler, G. N., DeTienne, D. R., McKelvie, A., & Mumford, T. V. (2011). Causation and effectuation processes: A validation study. *Journal Of Business Venturing,* 26(3), 375-390.

Euchner, J. (2013). What Large Companies Can Learn from Start-ups. *Research Technology Management,* 56(4), 12-16.

Fiet, J. O., & Patel, P. C. (2008). Forgiving Business Models for New Ventures. *Entrepreneurship: Theory & Practice,* 32(4), 749-761.

Fisher, G. (2012). Effectuation, Causation, and Bricolage: A Behavioral Comparison of Emerging Theories in Entrepreneurship Research. *Entrepreneurship: Theory & Practice,* 36(5), 1019-1051.

Herron, L., & Sapienza, H. J. (1992). The Entrepreneur and the Initiation of New Venture Launch Activities. *Entrepreneurship: Theory & Practice,* 17(1), 49-55.

Janney, J. J., & Dess, G. G. (2006). The risk concept for entrepreneurs reconsidered: New challenges to the conventional wisdom. *Journal Of Business Venturing,* 21(3), 385-400.

Perry, J. T., Chandler, G. N., & Markova, G. (2012). Entrepreneurial Effectuation: A Review and Suggestions for Future Research. *Entrepreneurship: Theory & Practice,* 36(4), 837-861.

Politis, D., Winborg, J., & Dahlstrand, Å. (2012). Exploring the resource logic of student entrepreneurs. *International Small Business Journal,* 30(6), 659-683.

Read, S., Song, M., & Smit, W. (2009). A meta-analytic review of effectuation and venture performance. *Journal Of Business Venturing,* 24(6), 573-587.

Sarasvathy, S. D. (2001). Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. *Academy Of Management Review,* 26(2), 243-263.

Sullivan, D. M., & Ford, C. M. (2014). How Entrepreneurs Use Networks to Address Changing Resource Requirements During Early Venture Development. *Entrepreneurship: Theory & Practice,* 38(3), 551-574.

Watson, T. J. (2013). Entrepreneurship in action: bringing together the individual, organizational and institutional dimensions of entrepreneurial action. *Entrepreneurship & Regional Development,* 25(5/6), 404-422.

**Procedural Guidelines**

Students normally would take ENT 4132 in their last semester, and they would have to apply to take it during the previous semester. When the course schedule is first made public before advanced registration starts, the instructor will coordinate with the Adams Center director to determine the number of mentors that will be available to work with student teams. At about the same time, applications will begin being accepted for the following semester. The number of student teams accepted for the course, and therefore the number of students enrolled in the course will depend on the availability of mentors, and the quality of businesses proposed for this course in the applications submitted by students.

Thus, for example, when the spring schedule comes out in October, students will be invited to apply to take the course in the spring. During November, mentors will be lined up and applications will be taken. In early December, the instructor and mentors will review the applications and decide which ones to accept. Students whose applications were accepted will be enrolled in ENT 4132, and those whose applications were not accepted will be invited to enroll in ENT 4940 (Entrepreneurship Internship).

It is unlikely that students who are not Entrepreneurial Management majors or minors would take ENT 4132 because there are two prerequisite courses—ENT 3024 and ENT 4114. Students in the major and minor would take those two courses as part of their major or minor coursework, whereas students outside the major or minor would take them as electives. In the requirements for both the major and minor, students must take either ENT 4132 or ENT 4940. Therefore, most students not accepted into ENT 4132 would likely take ENT 4940 instead.

**Mentors**

In recent years, the College of Business has had approximately 3-5 Entrepreneurs in Residence each semester, working with and through the Adams Center for Entrepreneurship to help FAU students and members of the local community develop and pursue new venture ideas. With the creation of the Tech Runway, the goal is to increase the number of such mentors to 100-200. For the most part, these mentors are seasoned entrepreneurs, though some are specialized professionals who work closely with entrepreneurs, such as lawyers, accountants, and financiers.

With the assistance of the Adams Center, we would line up about four entrepreneurs per semester to mentor our student teams. There would be approximately four students per team, and each mentor would work with three teams. Thus, we would be able to accommodate (4x4x3=) 48 students in this course per semester. That is the number of students per semester that we expect during the first 2-3 years.

**Application Process**

Teams of up to four students will participate in the course. Each team will launch a particular venture that one or more of the team members has been planning. One team member will complete and submit an application for that team to participate in the course, on behalf of the entire team. The application will include (a) an application form, (b) a business model canvas, (c) a business plan, and (d) a startup timeline.

A business model canvas is a device for communicating and validating a business idea, and it is covered in detail in ENT 3024. A business plan is a formal statement of a set of business goals, the reasons they are believed to be attainable, and the activities that must be completed in order to reach those goals. ENT 4114 focuses on the process for developing business plans. Ideally, a student team will create a business model (expressed in a business model canvas) in ENT 3024, develop a business plan based on that business model in ENT 4114, and implement initial parts of the plan to launch the business in this course, ENT 4132. This sequence will be encouraged by requiring ENT 3024 and ENT 4114 as prerequisites for ENT 4132, and by requiring the business model canvas and business plan as part of the application for ENT 4132.

Of course, students may not always be able to develop their business ideas this way. They may not get a business idea that excites them until they are already taking ENT 4114, for example, in which case they would not already have a business model canvas for that business. Still, they should be able to utilize the skills learned in ENT 3024 to create a canvas for that business, and then submit that canvas with the rest of their application materials for possible enrollment in ENT 4132.

**Acceptance Criteria**

Acceptance of businesses for participation in ENT 4132 will be based on four factors (a) potential, (b) timeliness, (c) suitability, and (d) mentorship. *Potential* refers to the size and quality of the market opportunity, and the ability of the venture team to tap that opportunity. *Timeliness* is the likelihood of getting the business started by the end of the semester, which depends on how well the business idea has been developed thus far. *Suitability* pertains to how much the business can benefit from the mentoring and guidance provided in the course. E.g., some franchises may not be suitable if the franchisor provides the mentoring and guidance needed by the (student) franchisee. Finally, *mentorship* refers to whether we have a mentor available to work with the business.

The instructor will be responsible for accepting businesses and their student teams into the course. Whenever possible, the acceptance decisions of the instructor will be made in consultation with the available mentors or a board of advisors for the major and minor.

**Student Learning Contracts**

Early in the semester, each team will negotiate with its mentor and the instructor a set of activities to be completed during the semester, deadlines for their completion, and the criteria along which those activities will be graded. There will be two overarching considerations guiding these negotiations. First, the activities must be relevant in that they must contribute to the processes of getting the business started and laying a foundation for its future success. Second, the time and effort needed to complete these and all other course activities should be approximately 135 hours per member of the student team, which amounts to nine hours per student per week during the 15-week semester for this three-credit course.

This negotiation will result in a learning contract between the instructor and student team. The contract will govern the activities to be performed by the team as a whole. Then, the team will determine for itself the roles and expected contributions of each member.