

ENT 5332
The Entrepreneurial Startup
Fall 2008

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Office hours: 9:30-10:30 a.m. Monday and Wednesday
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Other times by appointment or as available

I want to be readily accessible to each of you. I enjoy the interaction and casual visits as time permits. You should feel free to call me at home if you have a question about your assignment or any other matter important to you.

COURSE OBJECTIVE AND STRUCTURE

1. The course is designed to prepare the student to understand the process for launching and financing a prospective entrepreneurial venture. The class is divided into three parts: (1) background reading, (2) interaction with entrepreneurs and investors, and (3) working together in 3-person teams to identify and evaluate an opportunity.
2. The teams are to submit the team member names by September 22, followed by the following activities:
 - October 29: Submit a 2-page written proposal for evaluating a specific opportunity
 - November 10: Preliminary class discussion of opportunity evaluation_
 - December 8: Submit final written opportunity evaluation
Final team class presentation of opportunity evaluation
3. Class sessions will be conducted in a seminar fashion, where the student is actively engaged in leading and participating in class discussion.
4. Given the format of the class, it is essential to come to class prepared. If a student comes without having done the assigned work, he/she will detract from the quality of the learning experience in the class.

5. In preparing for class discussion of reading assignments, be prepared to (1) give an overview of the material, (2) identify the main ideas of the reading, (3) specify what you believe to be the most important points, and (4) raise questions about the assigned reading.
6. When we have a business guest, we want it to be a great experience, both for the class and for the guest. We want to treat the guest with great hospitality by:
 - a. Preparing before class.
 - b. Being actively involved in the discussion—asking good questions.
 - c. Expressing our appreciation to the guest after class.
 - d. Dressing business casual—and no baseball caps.
7. The basis for determining a student's grade will be as follows:
 - 40% Exams. The mid-term exam will be in the form of essay questions and problems that will draw on your understanding of the course reading materials and problem assignments. The second exam will be a case that will test your understanding of the process for evaluating a potential opportunity.
 - 30% The quality of a student's contribution to the class discussions.
 - 30% The quality of the oral and written presentations of the opportunity screening and evaluation.

COURSE MATERIALS

Jeffrey Timmons, customized version of *New Venture Creation*, Irwin, 7th edition.

Guy Kawasaki, *The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything*

John Mullins, *The New Business Road Test: What Entrepreneurs and Executives Should Do Before Writing a Business Plan*, 2nd edition.

Supplementary readings and problems will be provided on Blackboard.

Cases and notes from Harvard and Dartmouth

CLASS SCHEDULE:

<u>DATE</u>	<u>ASSIGNMENT</u>
BEGINNING THE STORY	
1 August 25	Setting the Stage
2 August 27 ¹	“The Entrepreneurial Mind” (Timmons, Chapter 1, pp. 1-21)
September 1	Labor Day
UNDERSTANDING THE FINANCIALS	
3 September 3	<i>Note on Evaluating Financial Performance</i> (Blackboard)
4 September 8	“Preparing the Cash Budget and Proforma Statements” (Blackboard) Russell Chance Corporation, Excel model of cash budgets and proforma financial statements (Blackboard)
5 September 10 ²	Lipsitz Iron and Metal (Blackboard)
6 September 15	<i>Note on Forecasting Financial Requirements</i> (Blackboard) Travis Rule, Inc. Excel model on forecasting financial requirements: (Blackboard)
7 September 17	Kate & Associates, Computer model on forecasting financial requirements: (Blackboard)
OPPORTUNITY RECOGNITION AND EVALUATION	
8 September 22	“The Entrepreneurial Process” (Timmons, Chapter 3, pp. 46-63) <i>The Art of the Start</i> , Chapter 1
9 September 24	“The Opportunity” (Timmons, Chapter 4, pp. 65-91) Resource Requirements” (Timmons, Chapter 10)
	Submit names of team members via email
10 September 29	“Note on Business Model Analysis for the Entrepreneur” (Harvard)

¹ Julie Burleson and Suzy Nettles, Founders, Young Chefs International, Waco.

² Tom Salome, CEO, Lipsitz Iron and Metal, Waco.

- The New Business Road Test*, Chapters 1-3
- 11 October 1 *The New Business Road Test*, Chapters 4-6
- 12 October 6 *The New Business Road Test*, Chapters 7-10
- 13 October 8³ *The New Business Road Test*, Chapters 11-15
- 14 October 13 Stephen Lawrence and Frank Moyes, “Writing a Successful Business Plan” (blackboard)
The Art of the Start, Chapters 2-4
- 15 October 15⁴ Business plan presentation to be selected
- 16 October 20⁵ *The Art of the Start*, Chapters 5-11
- 17 October 22 Exam I
- 18 October 27⁶ “Legal Aspects of Entrepreneurship” (Harvard)

FINANCING THE ENTREPRENEURIAL VENTURE⁷
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- 19 October 29 “Entrepreneurial Finance” (Timmons, Chapter 12)
“Obtaining Venture and Growth Capital” (Timmons, Chapter 13)
- 20 November 3 *Note on Valuing and Structuring Deals: The Venture Capitalist’s Approach* (Blackboard)
Meredith Rogers, Inc. A problem on deal structuring (Blackboard)
- 21 November 5⁸ Case: Davaco

Teams submit written proposal on opportunity to evaluate.
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- 22 November 10⁹ **Team Discussion of Opportunity Evaluations**

³ Panel discussion of entrepreneurs and investors based on reading of *The New Business Road Test*.

⁴ Joanna Gaines, Newco Corp.

⁵ Panel discussion of entrepreneurs and investors based on reading of *The Art of the Start*.

⁶ Rex Whitaker, Attorney

⁷ See the “Private Equity Glossary” (Dartmouth) for a great reference on terminology used by private equity investors.

⁸ Rick Davis, Founder and CEO, Davaco Corporation, Dallas

⁹ Entrepreneurs and investors in attendance for the discussion.

		Case: eDocs: Part I
23	November 12	Case: eDocs: Part II
24	November 17 ¹⁰	Structuring the deal continued
25	November 19 ¹¹	Vision Research Organization business plan presentation (to be provided)
26	November 24	Exam II
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	November 26	Thanksgiving Holiday
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27	December 1 ¹²	Cecilia Levine: An Entrepreneurial Story Note on Exits (Dartmouth Business School)
28	December 3 ¹³	Case: Glamour Shots, Inc. (To be provided)
29	December 8 ¹⁴	Final Team Written Reports and Presentation of Opportunity Presentations

¹⁰ Pat Horner, Partner, G-51 Capital, Austin

¹¹ Tyler Self, founder and CEO, Vision Research Organization, Inc.

¹² Cecilia Levine, Founder and President, MFI International, Inc.

¹³ Jimmy O'Neal, CEO, Glamour Shots, Inc., Dallas

¹⁴ Entrepreneurs and investors in attendance for the presentations.