

Syllabus: Entrepreneurship (MBA/EWMBA 295A-2)

Instructors: Jack Fuchs & Naeem Zafar
Classroom: C220

Spring 2009
Monday 6-9:30 pm

Purpose of the Course

This course is about how to create an entrepreneurial business. Since the Haas School is principally about professionally managed businesses, the course will focus on businesses that are not small by design, but rather on those that, with vision, hard work and luck can be developed into substantial enterprises. This course will focus on entrepreneurs, on business plans and on businesses that are appropriate for sophisticated angel and/or professional (especially venture capital) investors.

The driving force behind start-up ventures are entrepreneurs – those individuals who have the courage, insight, knowledge, intensity and luck to attempt to achieve great business results without resources remotely sufficient for the job (or so it seems at first). A key vehicle for the entrepreneur's effort is the business plan – and in most cases multiple versions of it as the opportunity and business change over time! The plan helps the entrepreneur attract support and resources from others because it tells them what the business is about, what its strategy will be, how its management thinks and what the financial risks and rewards most likely will be. It also helps the entrepreneur to manage a growing and necessarily complex set of dynamics by providing mileposts and indicating the resources that will be necessary to achieve them. Finally, it provides a set of standards against which actual performance can be compared. But a great plan by itself is no guarantee of success. A successful startup requires relentless execution against the plan and flexibility in reevaluating and changing the plan. The ultimate validations are customers' orders and a scalable, repeatable and profitable business.

Requirements

The main requirement for the course will be the development of a business plan on a venture of the student's choosing, subject to faculty approval. Students will work together, in teams of four or five, to develop an idea for a new venture, research its potential, perform analysis to identify what resources are needed and when, and write a formal business plan. This work serves as the basis for two substantial efforts: first, development of a written business plan, including detailed sales and marketing objectives and financial projections; and second, an oral presentation of that plan to a panel of instructors and business professionals who will be surrogates for your most likely source(s) of start-up, equity capital.

Textbook

The course will use the book; "New Venture Creation" by Jeff Timmons.

Instructors

The course is co-taught by a team of two instructors, all of whom are active in the entrepreneurial community and are not full time faculty.

Office hours are by appointment. Contact information is as follows:

Jack Fuchs Best reached by e-mail (jfuchs@gmail.com).

Naeem Zafar Best reached by e-mail (nzafar@gmail.com) or by telephone (408 218 1920)

Mentors

In addition to the instructors, 4 experienced entrepreneurs will serve as mentors to the business plan groups. (Bios attached).

Grading

Students will be graded on class attendance and participation, as well as on the plan and presentation. Perhaps more than most courses, this one will depend heavily on input provided by students. It will combine readings, lectures, case materials and regular class involvement by entrepreneurs and business professionals. Well-prepared and intellectually engaged students are essential for the class to succeed. Please come to class prepared and please be prepared to work hard on your plan.

The course grade will be based upon:

The group exercise ¹ :	
Written business plan (including draft deliverables)	40%
Oral plan presentation	30%
From class: Class participation and class deliverables	30%

Class by Class Syllabus

1 January 26 Introduction to Entrepreneurship and Business Plans (Fuchs)

Learning Objectives: Understand course objectives and key themes, consider reasons for writing a business plan, share business plan ideas and think about what makes a great business plan.

Case : Deodorant (case will be handed during class)

Written Assignments: **By 9:00 am on January 26th (prior to the first class!!!!), email to jfuchs@gmail.com with a copy to nzafar@gmail.com :** a one-half page description of a business idea about which you might want to write a business plan in the class with at least one co-founder listed (another student from class) if already identified.

Assigned reading: Text book chapters 3 & 6

Guest: Ashwini Choudhary, CEO Ventiva

¹ Allocation of grades within a group will be based in part on team self-evaluation of individual effort.

Plan Related: Be prepared in class to give a 3 minute “sales pitch” for your business plan idea (one per group, if you are short on team members). {4 to 5 people per team expected}

2 February 2 Opportunity Assessment (Zafar)

Learning Objectives: Think about how to screen entrepreneurial ideas and begin to create your own opportunity screen.

Case to be Prepared: Facebook

Assigned reading: text book chapters 4 & 5

Guest: Jonathan Abrams, founder Friendster & Socialr

Written Assignments: (1) In just 3 or 4 words each, list the five primary criteria you would use in screening your business plan ideas to select the most promising one .

(2) At the start of class, hand-in your team roster (as far along as it may be) and a draft of your team’s business plan idea.

Plan Related: Be prepared in class to give a 2 minute pitch for your business plan idea (to finalize your team composition).

3 February 9 Market Research (Fuchs)

Learning Objectives: To understand how to apply and adapt classic market research techniques and tools to entrepreneurial business ventures

Case to be Prepared: none (will use students market research plans for discussion)

Guest: Josh Hannah

Assigned reading: none

Deliverable: final team & idea concept paper (1 page)

February 16 (President’s Day) – NO CLASS

4 February 23 Business Models, Revenue Models & Channel (Zafar)

Learning Objectives: To understand various startup business models, the key lessons in business models, how business models have evolved with the internet and the importance of scalability.

Case to be Prepared: none

Assigned reading: “Note on Business Model Analysis for the Entrepreneur” by Hamermesh, Marshall and Pirmohamed (HBS 9-802-048)

Class deliverable: **Executive Summary**

Gate 1 Class Activity: For the second half of the class, there will be breakout sessions to permit the groups to work with the mentors and instructors on the business plan opportunity and developing the executive summary for the plan. Each team will present their business idea, market research and customer discovery results.

5 March 2 Sales Strategy & Customer Value Proposition (Fuchs)

Case to be Prepared: Zaplet
Learning Objectives: What to consider while setting up sales for your startups. What challenges are you likely to face and how decide on pricing, channel issues, positioning versus the customer perception
Assigned Reading: “Accelerating the Sales Learning Curve” by Leslie and Holloway
Guest: Robert Labatt, former CEO ezBoard

6 March 9 Financial Models, Projections & Valuations (Zafar)

Learning Objectives: Learn how to prepare and create financial projections and understand key financial assumptions, how to compute valuation & dilution
Case to be Prepared ZipCar
Assigned Reading: 1) Textbook chapters 10 & 12
2) Funding New Ventures: Valuation, Financing and Capitalization Tables
Guest: TBD
Class Activity: Be prepared in class to present the go-to-market strategy for your group. Two teams will volunteer for feedback from class.

7 March 16 Product Launch & Go-2-Market Strategies (Zafar)

Learning Objectives: How to think about creating a brand, manage channels and decide how to bring a product to market (pricing, positioning, launching a product)
Case to be Prepared: InvestorSoft
Assigned reading: “Target Markets: Easy to Pick, Hard to Stick” by Geoff Moore
Guest: Jayaram Bhat (CEO Zenprise, VP marketing Mercury Interactive)

March 23 (Spring Break) – NO CLASS

- 8 **March 30** **Team dynamics & soft skills (Zafar)**
- Startup dynamics within the founding team and how they influence the growth of the business, and the key dos and don'ts of personnel issues in the early phase of a startup. Managing and setting up global teams
- Case to be Prepared: Vermeer A & B
Assigned reading: Textbook chapters: 8
The Discipline of Teams (HBR)
Guest: Kathryn Kranen, CEO of Jasper Design Automation
- 9 **April 6 (Gate II)** **Presentation Skills & Handling VC (Zafar)**
- Learning Objectives: understand how VCs view entrepreneurs & how the process of seeking investment works. We will also discuss presentation skills and provide feedback on individual styles of presentation
- Class deliverable Your Sales and Marketing Plan
Assigned Reading: none
- Gate 2**
- Class Activity For the **first half** of the class, there will be breakout sessions. All groups will present the sales and marketing plan for their project and solicit peer feedback. They will work with the mentors to fine-tune.
- 10 **April 13** **Operations & Partnerships (Fuchs)**
- Learning Objectives: To understand the importance of planning for operational success, especially in the areas of manufacturing, supply chain and distribution. How to forge key partnerships for an entrepreneurial venture.
- Case to be Prepared: DANGER
Assigned reading: None
Guest: Mark Fisher, COO Danger (MSFT)
- 11 **April 20** **Scaling a Non-Technology Business (Fuchs)**
- Case to be Prepared: Gordon Biersch
Learning Objectives: What to consider while working a non technology business – how to scale it and decide on pricing, channel issues, positioning versus the customer perception
Assigned Reading: none

Guest: Peter Cooperstien, founder & CEO Amici Pizza
Class activity: 1-2 teams will volunteer to share their financial plans

12 April 27 Venture Financing, Term Sheets, Company Formation, IP (Zafar)

Learning Objectives: (1) Understand a basic venture capital structure and term sheet, and (2) Think about how to align the objectives and agendas of the founders and investors
Case to be Prepared: Trendsetters
Assigned reading: Deal Structure and Deal Terms (HBS)
Optional reading: Textbook chapters 13 & 14
Guest: TBD
Class Deliverable: your key financial assumptions and your team financial plans

13 May 4 Presentation Practice (all)

All teams present first 5 minutes of their VC presentation and seek feedback from instructors and peers – feedback from VC on what they like to see and not see from entrepreneurs

Case to be Prepared: none
Assigned reading: none
Guest: TBD

14 May 11 Wrap Up & Reflections on Entrepreneurship (all)

Learning Objectives: Real world lessons from a class on entrepreneurship
Assigned reading: The Questions Every Entrepreneur Must Answer (HBS: Bhide)
Optional reading: Textbook chapters 19
Guest: Sohaib Abbasi , Chairman & CEO, Informatica
Business Plan Deliverable: Business Plans (4 copies please!!!!)

Instructors Bios:

Jack Fuchs

Jack currently provides global business, financial and strategic leadership for ForteBIO, a Pharma and Biotech instrumentation company. Prior to ForteBIO, Jack held business leadership roles with two private companies. At SOMA Networks he handled global strategic accounts, marketing and partnerships. Prior to joining SOMA Networks, Jack was the Vice President for Business Development and Strategic Marketing at IPWireless, Inc, leading the commercial activities of IPWireless. Previously in his career, Jack served seven years as a strategic management consultant at McKinsey & Company, where he served health care and wireless clients. He has also held sales, marketing and strategic leadership roles with Becton Dickinson, a \$4 Billion medical technology equipment company. Jack graduated magna cum laude from Dartmouth College with a bachelor's degree in Engineering Sciences and received an M.B.A. from Stanford University's Graduate School of Business.

Naeem Zafar

Naeem founded Concordia Ventures (www.ConcordiaVentures.com), an advisory firm focused on guiding entrepreneurs with all aspects of starting and running a company. Naeem has been with six startups and has extensive experience in mentoring founders and coaching CEOs. His last assignment was the president and CEO of Pyxis Technology Inc., a venture funded company specializing in advanced chip design software for nanometer technology. Naeem has been president and CEO of two other high tech startups (Silicon Design Systems and Veridicom, a Bell Labs spin-off that invented the silicon fingerprint sensors today found on most laptops). Naeem has held senior marketing and engineering positions at several companies including Quickturn Design Systems that he joined at its infancy and stayed for 11 years until it was sold to Cadence Design systems. Quickturn did an IPO in 1993 and grew to \$125M in revenues.

Naeem holds a Bachelor of Science degree in electrical engineering from Brown University (magna cum laude), Rhode Island, and a master's degree in electrical engineering from the University of Minnesota. Naeem serves on advisory board of six companies and is a charter member of TIE (world's largest nonprofit focused on fostering entrepreneurship) and a charter member of OPEN where he also holds the post of general secretary for the Silicon Valley chapter. He is a member of Board of Directors of Aanukaa Inc. and Numetrics Pvt. Ltd. and is an advisor to the Lahore University of Management Sciences (LUMS) in Pakistan where he serves as an advisor to Entrepreneurship & Small & Medium Enterprise Center (ESMEC).

Mentors:

Michael K. Madison II.

mikemadison@mba.berkeley.edu

Kauffman Fellow, Halo Fund / The Angel's Forum

Michael Madison was practically born into the software industry and started writing software in the 2nd grade. By the time he was in the 6th grade he was contributing to NASA Langley's supercomputer management systems, by 8th grade he was a technical lead at a software startup that eventually went public (NDI acquired by ARI). And by the time he finished high-school he had 11 years of programming experience, 7 years of which were in highly technical rigorous environments. Years later, Michael's passion for technology, business and continuous learning led him to venture capital through the Kauffman Fellows Program. Michael joined The Halo Funds and The Angel's Forum as a Kauffman Fellow in 2007, bringing 16 years of leadership in cutting edge software product design and strategic management. Before joining, he was a Statistical Analyst and QA Tools lead at Tellme Networks (acquired by Microsoft), while simultaneously completing his MBA at Berkeley. Prior to that, in 2001 Michael founded and bootstrapped Noble Science Inc., a virtual surgery company that created a surgical simulation platform that allowed surgeons to train in a risk-free environment using immersive 3D graphics and tactile feedback. Michael's other experiences include technical and strategic leadership roles that span a breadth of disciplines including particle physics, medical simulation (virtual surgery and computer-aided cancer detection), videogames, flight simulation, supercomputer management, semiconductors, operating system design, telecom/VoIP, radiography, consumer electronics and consumer Internet. Over his career, Michael has saved various corporations and government institutions well over \$100M.

Michael has an MBA from UC Berkeley, an MS in Electrical Engineering from Stanford University and a BS in Computer Engineering from UMBC, where he graduated #1 in his department as a Meyerhoff Scholar.

Carl Nichols

carl@nichols.com

Carl Nichols co-founded Outlook in 1996 and has more than 20 years of experience in the software, computer, telecommunications and consumer products industries. Nichols has held senior executive positions in the strategic planning, business development, operations management, market development and finance departments of several major companies. Prior to Outlook, Nichols headed strategic and financial planning at SBC/Pacific Bell, an \$8 billion telecommunications and Internet service provider, where he was responsible for identifying new growth opportunities and business lines, developing strategic partnerships and optimizing the company's investments. Before joining SBC/Pacific Bell, Nichols was Vice President of Strategic Business Management at Scrivner, Inc., a \$6 billion packaged goods distributor. He led the company's business development efforts, including market expansions, new concept developments, domestic and international alliances and operating improvements.

Prior to Scrivner, Nichols spent six years as a management consultant at Booz, Allen & Hamilton, where he provided marketing, technology and operating guidance for his Fortune 500 clients, which included computer manufacturers, broadband service providers, retailers and financial institutions. Prior to Booz, Allen & Hamilton, Nichols served at AT&T's Information Systems International business where he developed marketing plans for the company's entry into Europe and led systems development at Spectrum Development. Nichols has represented Outlook on the Board of portfolio companies such as ClairMail, Lasso Logic (acquired by SonicWALL N: SNWL), Epicentric (acquired by Vignette N:VIGN), MarketHome (acquired by ClickAction N: CLAC), Arthas (acquired by Yahoo N: YHOO), Toolwire, Vantos and Kinecta (acquired by Stellent N: STEL).

Nichols received a Bachelor of Science degree in computer science magna cum laude from Brown University and an MBA from Harvard's Graduate School of Business. He enjoys skiing, scuba diving and sailing.

Nik Bahram

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Nik Bahram has extensive C-level and GM experience with 4 Fortune 500 companies and 5 startups. He has deep experience in marketing/sales, product management and engineering with responsibility for multiple product lines. Nik has direct experience with P&Ls of up to \$800M in revenue, \$50M in startup fundraising, as well as substantial M&A and exits on the buy and sell side totaling \$3.4B. His contributions have been made in high growth and turnaround settings. He has 7 patents and numerous publications and industry and investor presentations to his credit. Nik Holds a BSEE, MSEE from University of Pittsburgh, a Master of Science in Finance from Boston College and a Certificate in Business Administration from Harvard. At Agere Systems, Nik was responsible for defining the strategic direction and business plan for the Storage Business Unit across all products as well as defining new breakthrough products that redefined the landscape of the storage industry. Nik was the co-inventor of the Agere BluOnyx and responsible for this product line. Prior to Agere, Nik spent 25 years in a variety of roles focused on delivering IT and consumer systems, chipsets and web software solutions.

During the first 15 years of his career he served in Fortune 500 companies including Motorola and Digital Equipment Corporation now HP and during the latter 10 years he served in multiple startups that developed SAN, WLAN, 3D graphics and media player chipsets as well as nano electronics storage and LED lighting materials.

Nik was Vice President of Marketing & Sales at Intematix Corporation where he led the 15x revenue growth of this nanomaterials company focused Green Materials targeting semiconductor storage, lighting and energy sectors; Vice President of Engineering at Trebia Corporation a Storage Area Network Chipset company focused on switch and server side SAN chipsets and software; Vice President of Corporate Ventures in charge

of corporate strategy and M&A at Systemonic Corporation a multi-protocol software defined WLAN chipset company; Chief Operating Officer and General Manager at Surfcontrol an Internet Access Management software company; Vice President of Product Development at Creative Labs a consumer electronics company; VP of Engineering and subsequently President at Silicon Engineering an IP development and design services company focused on Storage, graphics and communications IC level IP. Nik's earlier career included management and engineering roles in Design, Applications and Device Engineering at Digital Equipment Corporation, Sprague Semiconductor, Motorola Semiconductor and at Brown Boveri CSI.

Mike Tzamaloukas

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Mike founded Dash Navigation in 2002 in an effort to revolutionize the way that traditional navigation systems work. Funded by Sequoia, KPCB and other top-tier venture capital firms, Dash Navigation introduced the first two-way connected personal navigation device, changing the landscape of a multi-billion market for many years to come. Prior to Dash Navigation, Mike was the Chief Scientist at Ambicom Inc. another Silicon Valley startup that specialized on accessories for the mobile professional. Before joining Ambicom, Mike was a software engineer at SRI International.

In his spare time, Mike enjoys turning ideas into exciting business plans. He frequently consults with other entrepreneurs or early stage start-ups on how to develop a winning strategy. He is not afraid to roll-up his sleeves and spend the personal time and effort needed to help others avoid some of the usual obstacles likely to occur in most new ventures. Entrepreneurship is in Mike's DNA. At the age of 9 he setup a shadow theater in his basement where he would entertain kids and adults alike. He fell in love with programming at the age of 12 and was fortunate to occasionally get paid for something that he would do anyways, just for fun.

Mike holds a bachelor degree in computer science from Patras University in Greece, master and Ph.D. degrees in computer engineering from the University of California, Santa Cruz and he is awaiting an MBA degree from the University of California, Berkeley. Mike is the inventor or more than a dozen patents, he has published several highly regarded scientific papers and he is a frequent speaker at both academic and business events.