1. SUBJECT DESCRIPTION

This course is about the process of creating an entrepreneurial business. In the current economic environment, several challenges lie ahead: firms need to find ways to become more entrepreneurial in order to adapt to fast-changing conditions, managers creating new ventures have to cope with increasing amounts of information and fast-changing customer preferences, while social demands call for sustainable new businesses. To address these challenges, there is a substantial amount of knowledge and tools that entrepreneurs need to know before venturing into start-up projects or developing new ideas in existing firms. This course integrates knowledge gained from the prior core business courses to sharpen and further develop the student's ability to "think entrepreneurially".

2. OBJECTIVES AND SKILLS

The objective of the course is to guide students through the process and challenges of creating a new business. Among the key steps of this process are: business opportunity recognition, planning, and organization of a new venture. Through this process, students will be exposed to the tools, concepts and practices of the entrepreneurial world. As such, the course is designed to give the students a feel for the entrepreneurial environment. In particular, you will acquire the following skills:

- Learn how to recognize and evaluate new venture opportunities.
- Conceive "entrepreneurship" as part of a management paradigm.
- Develop an understanding of the overall entrepreneurial process.
- Develop your capacity for "entrepreneurial thinking" in a critical way.
- Be able to design and write up a proper "feasibility study" which can ultimately lead to a real business opportunity.
- Examine your "personal fit" with respect to the entrepreneurial process.

3. METHODOLOGY AND WEIGHTING

The course incorporates different teaching approaches: lecture, assignments, group work, and class presentation and discussions. Class discussion is the primary way for students to learn about entrepreneurship. Therefore, you are expected to come to class having read assignments and thought about topics scheduled for the class sessions. Note that your participation will make the class pleasant and intellectually stimulating. Keep in mind that entrepreneurship is an inherently social, collaborative, and interactive process. Class participation will be valued on the following criteria:

1) Attending class: regular attendance is required. If you need to be absent, make sure you notify the professor prior to your absence.
2) Arriving on time: arriving on time is a form of respect towards other students and the instructor. Late arrivals will be penalized.

Edited by IE Publishing Department.
3) Being prepared: being prepared to adequately discuss readings and cases is a challenge. Note that the quality of your contribution to the class discussion (thoughtful comments or questions) will count far more than quantity of remarks.

<table>
<thead>
<tr>
<th>TEACHING METHODOLOGY</th>
<th>WEIGHTING</th>
<th>TIME DEDICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lectures (in class)</td>
<td>10%</td>
<td>15 hours</td>
</tr>
<tr>
<td>Discussions (in class)</td>
<td>25%</td>
<td>37.5 hours</td>
</tr>
<tr>
<td>Exercises (in class)</td>
<td>10%</td>
<td>15 hours</td>
</tr>
<tr>
<td>Group work (outside class)</td>
<td>40%</td>
<td>52.5 hours</td>
</tr>
<tr>
<td>Individual studying (outside class)</td>
<td>20%</td>
<td>30 hours</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>150 hours</td>
</tr>
</tbody>
</table>

People generally remember

10% of what they read  
20% of what they hear  
30% of what they see  
50% of what they both see and hear  
70% of what is discussed with others  
80% of what they personally experience  
90% of what they teach others

4. COURSE CONTENT

SESSION 1  
Introduction to the Entrepreneurship course: objectives and methodology. The first part of the class will center on the explanation of the course and the development of the main projects. In the second part of the session we will define the concept of entrepreneurship and the entrepreneurial process.

SESSION 2  
The entrepreneurial mindset: how entrepreneurs think and behave. Why entrepreneurs decide to venture into the new industries?

Deliverable  
Idea Memo (one page paper describing a business idea you would like to pursue)

SESSION 3  
Challenges of the entrepreneurial decision process  
Causality vs. Correlation in entrepreneurial success. Survivorship bias.

SESSION 4  
Who is an entrepreneur? – Entrepreneurs and personality traits – Risk preferences Vs. Risk perception.

SESSION 5  
How opportunities are discovered. Difference between ideas and opportunities

SESSION 6  
Opportunity identification. Think critically and debate about where opportunities come from.  
Deliverable  
Two-page paper on whether your initial business idea is likely to be a winning one or not.

SESSION 7  
Opportunity evaluation and screening. How do professional investors identify and evaluate new opportunities and think critically about their potential feasibility.
Deliverable
Case report answering assigned questions.

SESSION 8
Market attractiveness. How do entrepreneurs figure out the attractiveness and size of their potential market? Confirmation biases.

SESSION 9
Discuss how entrepreneurs target and specify the particular segments of niches they want to address.

SESSION 10
Markets and customers. How big is my market?
Deliverable
Case report answering assigned questions.

SESSION 11

SESSION 12
Team leadership and communication. Working as teams with resource and time constraints

SESSION 13
Ethics and the entrepreneur.
Deliverable
Case report answering assigned questions.

SESSION 14
Technology and innovation management. Innovation in established organizations vs. Start-up innovation. Incentives and capabilities.

SESSION 15
Mid-term control exam.

SESSION 16
Discussion about entrepreneurial industry analysis and entry decisions.
Deliverable
Case report answering assigned questions.

SESSION 17
Assessing entrepreneurial ventures. Discussions and comments about interviews with real entrepreneurs. Students will comment on the findings and knowledge gained from the individual interviews (session 1 / 2)

SESSION 18
Assessing entrepreneurial ventures. Discussions and comments about interviews with real entrepreneurs. Students will comment on the findings and knowledge gained from the individual interviews (session 2 / 2)

SESSION 19
Shaping opportunities. Updating the initial business opportunity based on feedback from the market and the environment.

SESSION 20
Growing an entrepreneurial business. Establishing a culture within your business.
Deliverable
Case report answering assigned questions.
SESSION 21
Business models. What are they? Why they matter and what do we mean by a good business model.

SESSION 22
Business models. Refining ideas and shaping a business model.

**Deliverable**
Case report answering assigned questions.

SESSION 23
Presentations: Students pitch their business opportunity (session 1 / 2)

SESSION 24
Presentations: Students pitch their business opportunity (session 2 / 2)

SESSION 25
Resource requirements. Pricing decisions and the “anchoring and adjustment” heuristic.

SESSION 26
Managing the growth of new ventures. Beyond the start-up process.
**Deliverable**
*Turn in Entrepreneur Interview paper*

SESSION 27
Entrepreneurs and the troubled venture. How to revise, improve, or re-assess ventures which appear are not working out as expected. Signs and symptoms of troubled start-ups. Judging venture success in hindsight.

SESSION 28
Harvesting and reinvesting in the new venture.

SESSION 29
Wrap up. General assessment of the course.
**Deliverable**
*Turn in final business opportunity report.*

SESSION 30
Final Exam

5. ATTENDANCE
University policy regarding mandatory attendance states that students should attend to at least 70% of the sessions. Absences do not need and should not be excused. We assume that most absences, whatever their cause, can be accommodated within the allowed 30%.

Only on extremely special cases (ie, a long illness) the rule can be reconsidered and you should notify me for authorization. If a student exceeds the allowed 30%, he/she should get a 0 in the course. (Nevertheless he/she can be allowed to continue the learning process, receiving feedback on the class work and taking the exams, although this will not change his/her grade).

Campus online provides a tool to keep track of attendance.

6. EVALUATION SYSTEM

*Class participation (15%)*
Students must be prepared to discuss and contribute to the discussion of case studies, readings, or even to spontaneous discussions that come up during regular lectures. For reading and cases, the professor will assign a number of questions, but during the class the students may be called randomly to respond different but related questions.

**Cases and other deliverables (15%)**

Along the course, students will be asked to prepare case reports, or respond to exercise questions in a written format, or to deliver a one-page business idea memo. Questions related to the case reports will be handled a week in advance. All these deliverables will be collected in class.

**Entrepreneur interview paper (15%)**

The idea of this project is to explore the entrepreneurial process through the experiences and opinions of real entrepreneurs. Madrid offers an environment favourable to new venture creations and attracts numerous entrepreneurs, which can be readily available to share opinions. This will provide an opportunity to get in touch with an entrepreneur in an industry you are interested in.

- **This is an individual project.** Each student will interview an entrepreneur or a manager of a recently funded small business. Such interaction will provide the student with insights which cannot be obtained in the classroom. The professor will give out a semi-structured interview guide with basic questions.

- **The student will be responsible for contacting an active entrepreneur (outside IE’s business school), and making an appointment for a personal interview.** I suggest sending an introductory email and then following up with a phone call. You should schedule the interview early in the term. **Extensions will not be granted due to last minute changes that could have prevented with better planning, so schedule the interview early!!**

- **Students will hand in the questionnaire and responses plus a 6 to 10 page paper (double-spaced; font size 12) summarizing the interview and assessing the quality of the entrepreneur’s comments and overall strategies.** Topics that should be included in the paper are:
  - **Background:** How did you identify him/her? What is his/her background (education, industry experience, etc.)?
  - **Opportunity identification:** How did the entrepreneur identify the business opportunity?
  - **Entrepreneurial process:** Assess the process the entrepreneur used to develop the business. Note the critical successes and failures that the entrepreneur experienced. What could the entrepreneur have done differently to reduce risk?
  - **Measuring success:** Is the venture (or previous venture) successful? By what criteria? Has the entrepreneur given up anything by choosing his/her career path?
  - **Judgment:** Would you invest in this venture? Would you work for this entrepreneur? Based on what you have learned from this person, do you believe you could be a successful entrepreneur? Explain why or why not.

**Team project (25%)**

- **Preparation of business opportunity report (10%)**
  This is a team grade. Your pre-assigned (and non-negotiable) team will prepare a 4-page (12-point type, double-spaced) a business opportunity report. This is essentially a formalized report on a new business idea, before starting to develop a business plan itself. The report will cover the key areas of the business opportunity recognition. Given the preliminary nature of this report, the focus should be less on numerical details and more on building a coherent picture of the business you would like to pursue, emphasizing why this business makes sense, why is it likely to be successful, and why is it needed. The quality of the summary would depend on the clarity and logic of your exposition as well as on how well thought out and integrated the different elements
of the plan are. Think of this as essentially a pitch aimed at convincing potential investors – after reading the report, will the investor be interested in exploring your business plan in more detail?

- **Part of the team project entails an oral presentation (10%)**
  Presenting and defending your business opportunity is a key capability that is called for at various stages of the new venture development process. Your pre-assigned team will make a presentation of your business opportunity and will address questions posed by both me and your classmates.

To avoid (or at least minimize) free-riding within the teams, there will be an *intra-group evaluation* (10%), by which team members will evaluate each other according to the amount of effort provided in the team project.

**Exams (30%)**

The exams will be divided into a *Mid-term control exam* (10%) and a *Final exam* (20%).

**Extraordinary / Retake Exam**

Students in the BBA have 4 chances overall (so called “convocatorias” in Spanish) to pass any given course distributed in two consecutive academic years:

- During the Normal or Regular Assessment period (semester in which the assessment is held),
- The Extraordinary Exam period (in the first half of July, at the end of that academic year),
- In the following academic year, the Retake in the regular assessment period, and
- The last retake in the Extraordinary Exam period in July of the second year.

If your course grade is below 5.0 during the regular course or you, you are required to take the extraordinary exam to pass the course.

This extraordinary exam will include everything that you have learned in class, including lectures, case discussions and exercises.

However, students who do not comply with the 70% attendance rule will lose their 1st and 2nd chance, and go directly to the 3rd one (they will need to enroll again in this course next academic year).

Notice that if you happen to take a retake exam, the *final grade of the course will not necessarily equate to the grade you get in the retake exam.* If you have followed the course work (class participation, work project, individual assessments, etc) you may keep the portion of the grade achieved through the course and then complete the grade with the retake exam. If you have not attended the course and therefore your course work is graded with a zero, then the maximum grade in the retake you may obtain is an 8 out of 10.

**7. LAPTOPS IN CLASS**

You are allowed to make a wise use of laptops in class: this means taking notes, making a quick search on google, or when working in groups on a particular topic. However, *students caught using facebook, skype or similar tools will be asked to leave the room.*