

**Foundations of Entrepreneurship  
B7518.001  
FALL 2022 BIDDING**

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**Pre-work: Due Sunday, May 8, at 5:00 PM Eastern Time**

**Your early submission gives me time to learn about you and your ideas prior to class!**

1. Personal Assessment (Find on Canvas in Pework. It includes two quizzes. Submit only the summary page at end of packet. Keep a copy for your reference during class).
2. A paragraph explaining what you hope to get out of this class.
3. A one-page resume.
4. A one-page description of your business idea.

*Everyone is required to present to class an idea for an entrepreneurial project. Be prepared to make a one-minute pitch for your idea on the first day of class. We will have a process for selecting the most promising ideas and getting students into groups of 4-5 to work on the idea for the rest of the semester. Unless otherwise agreed, any intellectual property developed belongs to the person who first pitched the idea. Students choose their own groups. Groups can form around ideas, or 4-5 students can choose to work together and pick the best idea of the group members.*

**MAKE SURE TO:**

- 1) **PUT YOUR NAME ON EACH OF THE FOUR PAGES.**
- 2) **COMPILE THE DOCUMENTS INTO A SINGLE .PDF FILE**
- 3) **TITLE THE DOCUMENT WITH YOUR LAST NAME/PRE-WORK (Eg: Low/Pre-work)**
- 4) **Submit on Canvas**

*There are six cases that we be discussing in class. For each of these cases, you need to submit on Canvas, in advance of the class, written answers to a few key questions. **Since the class is delivered in a single week, it is strongly recommended to read all the cases and submit your answers before the course begins.***

Also, please watch: [David Rose on how to pitch a VC](#) and [Osterwalder explaining the Business Model Canvas in 6 Minutes](#)

## Course Description

Interest in entrepreneurship has skyrocketed. Much of the growth in our modern economy now comes from scalable startups. The availability of cheap building blocks has created an explosion of digital startups. Social entrepreneurs are employing entrepreneurial thinking to address major social and environmental issues. Beyond startups, established companies seek out new opportunities to sustain growth and competitive advantage. In short, entrepreneurs are needed and wanted in all industries and sectors. To succeed in a complex and rapidly changing world, you need to think like an entrepreneur.

What does it take to launch a successful entrepreneurial venture? How does it happen? How can we transform an idea and a blank piece of paper into an operating business with customers, cash flow and profits? And importantly, what are the pleasures and challenges of an entrepreneurial career?

But real wealth is not created by startups. Wealth, both personal and social are realized when a new venture grows into a healthy, sustainable business. The purpose of Foundations of Entrepreneurship is to expose you to the joys and frustrations of an entrepreneurial career, and for those brave enough, prepare you to start and nurture your own business. It will develop skills of opportunity identification and evaluation as well as your understanding of the steps and competencies required to launch and grow a new business. The class is based mostly on case discussion, enhanced by a combination of lectures, guest speakers and student work on team entrepreneurial projects.

At the highest level, you should come away from the class with solid insights to the following questions:

- What are the characteristics of a successful entrepreneur?
- What is the nature of an entrepreneurial career?
- Where do ideas come from?
- How do you distinguish ideas from real opportunities?
- What is the right strategy for managing entrepreneurial projects?
- What are the various sources of funding and when are they appropriate?
- What are the key aspects of a term sheet?
- How do you negotiate with investors?
- What are the characteristics of a winning business model?
- What does it take to sustain success overtime?
- What are the challenges of growth?
- Should you work with friends? Family?
- How does the entrepreneur manage risk?
- What is a social venture?
- How does entrepreneurship differ in emerging markets?
- How do you pitch your business?
- Can you be an entrepreneur in a big company?
- Is an entrepreneurial career right for you?

## Course Requirements

### 1. Case Quizzes:

Submit answers to case study questions on Canvas by ***midnight the day before*** the case is taught.

#### Due at midnight on:

1. Saturday, May 14: PieSky Ventures
2. Sunday, May 15: Managing Growth: Three Stories
3. Monday, May 16: Vetinsurance
4. Monday, May 16: Building Watch A, B & C
5. Tuesday, May 17: Computer Warehouse and Computer Warehouse 2.0
6. Wednesday, May 18: Sarah Stanley at GSB

### 2. Class Participation

Class participation is vital; therefore, preparation and attendance are critical. I will make every effort to ensure the class is participatory. We depend upon each other to make this class vibrant, so preparing in depth and contributing to discussion is important. Expect cold calls and please make it a priority to be on time.

### 3. Written Reflections

After each guest speaker, you to submit reflection on what you learned from the speaker. I aggregate these responses anonymously and send them to the speaker as feedback on their talk.

### 4. Final Presentation and Two Power Point Decks

Students will form self-selected groups (of 4-5 students) to explore an idea for a new business. During the class, the teams will work on the venture, using the Framework for Entrepreneurial Success as a guide.

In the last class session, each group will make a 10-minute final presentation of their project followed by Q & A. For the presentation, teams will prepare an investor pitch using the following suggested outline, with one power point slide for each topic. The “pitch” deck should have very little text, use lots of images, and be used as “speaker support.”

- Logo/name
- Context setter
- Management team (if strong. If not, put after financial overview)
- Market/pain
- Product/solution
- Business model
- Customers
- Getting to market
- Competition
- Unique advantage
- Financial overview
- History and current status
- Raise (valuation?)
- Closing

In addition to the above, each team will submit a “leave-behind” power-point deck. This deck will differ from the “speaker support” deck which is mostly images and limited text. The “leave-behind” deck will contain all the critical information that is presented verbally with the “speaker

support” deck. It is recommended that you complete the “leave-behind” deck first, then create the “speaker support” deck by editing the “leave-behind” deck, adding images, eliminating most text (use only brief bullet points) and simplifying all graphics.

### **Appendix 1:**

Provide a “simple” one-page breakeven analysis. Identify your economic unit of analysis (typically a single sale). Identify and list all of your fixed costs, including amortized capital expenses. Determine selling price, variable costs and the marginal contribution from each sale. **Be certain to list all of your assumptions.** Divide fixed costs by marginal contribution to determine break-even. Calculate break even in terms of dollars and unit sales. After completing the analysis, assess and comment on the likelihood of your venture or growing company being profitable.

### **Appendix 2:**

Provide a cash flow analysis. Start by listing (1) all potential sources of income, loans and investments, (2) all expenditures, including items that will be capitalized and amortized, and (3) the assumptions used to calculate your financials. Do this monthly, until your cash flow turns positive and then yearly starting in the following year. Leave yourself a cash balance, as a cushion, at the end of each period equal to at least three months’ expenses. Remember to plug in the source and timing of equity investments and/or borrowings. Your cash flow should answer three questions:

- 1) In what month are you cash flow positive?
- 2) In what month do you recoup your total investment?
- 3) What is the long-term potential of the business?

### **Appendix 3:**

Submit a copy of the completed worksheets: Framework for Entrepreneurial Success.

## **5. Grading**

The following weights will be used to calculate grades for the class:

On-time completion of pre-work.....	10%
Six Case Quizzes .....	10%
Guest Speaker Reflections.....	10%
Class Participation, Attendance.....	30%
Final Presentation and PPT Decks.....	40%

***At the end of the course, each group member will be asked to send the professor a confidential email indicating the percentage that each member contributed to the final project.***

***IMPORTANT: In order to succeed in this course you must make a reasonable effort to complete ALL of the required assignments and participate fully in the online discussions and the group assignments.***

I look forward to your participation in the class!!

<b>Day 1: Sunday, May 15 (9 AM - 12 PM)</b>
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Topic:	Criteria for Venture Selection
Learning Objective:	Understand how investors evaluate a new business opportunity.
Case:	<a href="#">PieSky Ventures</a>
Preparation:	Read the PieSky Ventures case study. Please submit your written answers in advance of the class to the following questions: <ol style="list-style-type: none"><li>1. Which company is the most attractive investment?</li><li>2. Which is the least attractive?</li><li>3. Why?</li></ol>

<b>Day 1: Sunday, May 15 (1 PM - 5 PM)</b>
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Topic:	Framework for Entrepreneurial Success
Learning Objective:	Learn a framework for developing a business plan.
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Topic:	Student Projects
Learning Objectives:	Every student is required to propose an idea for a group project.
Preparation:	Be ready to make a one-minute presentation of your idea.
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Guest Speaker:	Erica Duignan Minnihan, Founding and General Partner, Reign Ventures

**Day 2: Monday, May 16 (9 AM - 12 PM)**

Topic: Opportunity, Strategy and Organization

Case: Managing Growth: Three Stories

Learning Objectives: Learn that success comes in many forms and is a function of alignment between the nature of the opportunity, the strategy, the entrepreneur's leadership style and the organizational execution.

Preparation: Watch the three videos. Please submit your written answers in advance of the class to the following questions:

1. What is your assessment (pros/cons) of each of the three women and their companies?
2. Which business is most likely to succeed?

**Day 2: Monday, May 16 (1 PM - 5 PM)**

Guest Speaker: Nina Tandon, CEO & co-Founder, Epibone

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Topic: Student Projects (continue with one-minute presentations of business ideas)

Learning Objectives: Every student is required to propose an idea for a group project.

In Class: Form Groups.

Work on "Opportunity and Visionary Strategy" worksheets.

**Day 3: Tuesday, May 17 (9 AM - 12 PM)**

Topics:	The Trauma of a Start-up Venture Capital
Case:	<a href="#">Vetinsurance</a>
Learning Objectives:	Understand the sources of financing for new ventures, term sheets and how to negotiate with venture capitalists.
Preparation:	Read Vetinsurance, then submit your written answers in advance of the class to the following questions: <ol style="list-style-type: none"><li>1. What do you like about this business?</li><li>2. What concerns you?</li><li>3. Would you invest?</li></ol>

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Guest Speaker:	Darryl Rawlings, Founder Vetinsurance
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**Day 3: Tuesday, May 17 (1 PM - 5 PM)**

Topic:	Understanding the Numbers That Matter
Learning Objectives:	Understand unit economics, break-even and cash flow.
In Class:	Work on “Marketing, Operations, Management and Financial” worksheets.

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Topic:	Angel Investors
Guest Speakers:	Jason Griffith & Ross Goldenberg, Founders and co-CEOs, SiteCompli
Case:	<a href="#">Building Watch A</a> <a href="#">Building Watch B</a> <a href="#">Building Watch C</a>
Preparation:	Review three cases and watch Jason Griffith & Ross Goldenberg interview. (This video can be found on Canvas under files. The Title of the video: Jason & Ross_CBS_Foundations_Entrepreneurship.)  Then submit your written answers in advance of the class to the following questions: <ol style="list-style-type: none"><li>1. What surprised you about these cases?</li><li>2. What questions do you have for Jason and Ross?</li><li>3.</li></ol>

**Day 4: Wednesday, May 18 (9 AM - 12 PM):**

Topic: Making a Venture Pitch

Learning Objectives: Understand the structure and elements of a successful venture pitch to investors.

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Topic: Group work on project.

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Topic: Leadership Lessons from Africa

Case Study: [Computer Warehouse](#)

[Computer Warehouse 2.0](#)

Learning Objectives: Exposure to entrepreneurship in an emerging market.  
Identify universal components of disruptive innovation.

Preparation: Read the Computer Warehouse case studies and watch the video.  
(The video can be found on Canvas under files. The Title of the video: Computer Warehouse.m4v)

Then submit your written answers in advance of the class to the following questions:

1. What surprised you about these cases?
2. What questions do you have for Austin?

Guest Speaker: Austin Okere, Founder, Computer Warehouse

**Day 4: Wednesday, May 18 (1 PM - 5 PM)**

Guest Speaker: Mathew Pregasen, Founder and CEO, Battlecard

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Topic: Dividing the Pie

Learning Objectives: Explore how to structure deals between founders.

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Topic: Work on Group Project

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Guest Speaker: Dan Levitan, Co-Founder and Partner, Maveron

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<b>Day 5: Thursday, May 19 (9 AM – 12 PM)</b>
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Topic: Managing Change

Case: [Sarah Stanley at GSB](#)

Learning Objectives: Learn how to effectively manage change.  
Explore the challenges of leading from below.  
Insight into the personality and other characteristics of successful entrepreneurs.  
Self-awareness about your own entrepreneurship-related characteristics and career ambitions.

Preparation: Read the Graham, Smith and Bendel case study, then submit your written answers in advance of the class to the following questions:

1. Why is Sarah having problems?
2. What should she do?

<b>Day 5: Thursday, May 19 (1 PM – 5 PM)</b>
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Topic: The Entrepreneurial Personality  
Career Anchors

Learning Objectives: Consider career options and whether an entrepreneurial career is for you.

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Topic: Presentations of Student Projects

Learning Objectives: Learn how to make a successful investor pitch.

Deliverables: Make presentation of group project.  
Submission of hard copy of power point presentation with three appendices due no later than Sunday, May 29.