

****BIDDING SYLLABUS, DETAILS SUBJECT TO CHANGE****

FOUNDATIONS OF ENTREPRENEURSHIP

Management B8518
Spring 2023
For bidding Purposes Only

Section 001
Wednesdays 8:30 – 11:45 AM
Location: Kravis 890

Section 002
Wednesdays 2:00 – 5:15 PM
Location: Kravis 870

Instructor: Michael Mauskapf

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Columbia Business School
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ABOUT THE INSTRUCTOR

Michael Mauskapf is an Assistant Professor of Management at Columbia Business School, where he has taught 'Foundations of Entrepreneurship' in the full-time MBA program since 2017. Prof. Mauskapf studies the dynamics of creativity, innovation, and success in cultural markets, particularly the music industry. His research has been published in the *American Sociological Review*, *Academy of Management Review*, and the *Academy of Management Best Paper Proceedings*, and it has been featured in a number of popular press outlets, including *ABC News*, *BBC News*, *The Economist*, *New York Post*, *NPR*, and *Quartz*. Michael is a graduate of the University of Pennsylvania (B.A. in Music), the University of Michigan (M.A., Ph.D. in Musicology), and Northwestern University (Ph.D. in Management & Organizations). In addition to his research and teaching, he remains active as a performer, board member, and consultant in the entertainment and media sector.

COURSE DESCRIPTION

Foundations of Entrepreneurship serves as the gateway course to the entrepreneurship curriculum at CBS. The class is designed to provide a broad survey of concepts and skills that will benefit aspiring entrepreneurs, as well as students who want to work for a startup, operate entrepreneurially within a more mature organization, invest in new ventures, or some combination thereof.

Each class session is devoted to a particular topic, which we cover through a combination of lecture, case-based, discussion, and in-class activities. Specific topics covered include: characteristics of successful startups and entrepreneurs; techniques for generating, identifying, and evaluating new ideas; forming and maintaining effective partnerships; customer discovery and acquisition; entrepreneurial finance, valuation and deal-making; entrepreneurship in international contexts; startup culture; exits; career tradeoffs; and learning how to pitch yourself and your business. Most class sessions also include a guest speaker, ranging from recent CBS alum entrepreneurs to high-profile VC's and angel investors. Over the course of the semester, students will work in teams to develop an idea for a new business, culminating in an end-of-term pitch and final paper.

Please note that, while all are welcome, this course is designed for students who have limited-to-no experience in the startup ecosystem. This course also serves as a pre-requisite for Launch Your Startup.

In this course we seek to answer the following questions:

- How do I distinguish interesting ideas from real opportunities?
- How do I go from a real opportunity to a winning business model?
- How do I turn a winning business model into an actual business?
- What do I need to consider when seeking funding?
- What can I do to maximize success in my venture?
- What is the perspective of employees and investors?

Your ability to answer many of these questions will emerge from a focus on fundamental and skills. These include:

- Using a framework to identify and refine entrepreneurial ideas and understand how those ideas relate to core elements of a business.
- Looking at different business models and working through breakeven analysis, cash flow, and other key financial metrics.
- Better identifying early customers to gain and embrace their feedback.
- Constructing founder agreements to minimize tensions that often tear founders apart.
- Learning how to pitch ideas to investors, partners, and potential employees.
- Understanding the different sources of financing and when each is most appropriate.
- Determining the value of new businesses at various stages of development.
- Knowing when and how to exit.

HOW THIS COURSE DIFFERS FROM OTHER ENTREPRENEURSHIP COURSES AT CBS

This is the gateway to a sequence of three “spine” classes designed for students interested in entrepreneurship: **(1) Foundations of Entrepreneurship; (2) Launch Your Startup;** and **(3) Entrepreneurial Greenhouse.**

Foundations of Entrepreneurship provides a broad survey of concepts and concrete skills designed to benefit aspiring entrepreneurs, as well as those who want to work for an early-stage startup, operate entrepreneurially within a more mature organization, and/or invest in new ventures. While all are welcome, this course is designed for students who have limited-to-no experience in the startup ecosystem. If you want some exposure to the world of entrepreneurship and you’re not sure where to start, this course is for you.

Launch Your Startup is an accelerated, applied class for students who are already actively engaged with their target market, ready to advance their customer discovery and market research, design and test minimum viable products, develop customer acquisition strategy, and prepare investor-ready financials for fundraising.

Please note that Foundations of Entrepreneurship serves as a prerequisite Launch Your Startup. If you believe that you should be enrolled in LYS without having to take Foundations, please complete the following survey:

<http://bit.ly/entrepreneurwaiver>.

Finally, students who already have a Minimum Viable Product (MVP) and a committed and vetted team can apply to enroll in **Entrepreneurial Greenhouse**, which is designed as an accelerator and serves as a capstone to the Entrepreneurship Track.

There are also a number of other great entrepreneurship courses offered at CBS, including: **Foundations of Innovation, Foundations of VC, Lean Launch Pad, Think Bigger,** and **Entrepreneurial Strategy.**

To learn more about these and other courses at CBS, visit our entrepreneurship course site and selection tool:

<https://www8.gsb.columbia.edu/entrepreneurship/student-resources/courses>

COURSE MATERIALS AND REQUIREMENTS

All case materials and readings for this class will be posted to Canvas. Lecture slides and videos will be posted after each class session. There is no textbook.

There are three requirements for Foundations of Entrepreneurship: [1] regular class attendance and participation; [2] case quizzes and assignments; and [3] a group project, including a pitch and final paper.

1. Class Attendance and Participation:

I promise to provide as complete and compelling a class experience as possible; however, this experience is maximized when everyone comes ready to participate and engage—either face-to-face or online. Participation will be a very important part of the learning process in this course, so it will also constitute a significant portion of your final grade. Please plan to prepare for and attend each session, and come ready to engage. The more you put in, the more you will get out!

Your participation will be evaluated on your constructive contributions to discussion and learning in the class. Participation requires listening attentively and building on what peers have already shared. A positive contribution to class or team discussion exhibits one or more of the following properties:

1. Moves the discussion and analysis forward to inspire new insights among peers.
2. Shares a personal experience in a way that illuminates ideas being discussed.
3. Uses logic, insights, and evidence; more than merely an opinion or feeling.

In addition to regular class participation, **you must sign up to do one of the following during the semester: (a) co-lead a case discussion; (b) present your venture team's Business Model Canvas; OR (c) present some research and insights on how entrepreneurship operates in a national context outside the U.S. (only one person per country, please)**. None of these tasks are meant to be onerous or time consuming – think of them instead as simple commitment mechanisms to ensure that a handful of students have thoroughly prepared for class discussion that week. Students will have an opportunity sign up for their preferred slot before the second week of class. **Note: this does not exempt other students from participating in discussion!!**

Your participation will be evaluated on both quality and quantity. If you are not in the classroom (physical or virtual), you obviously cannot participate. One excused absence is permitted, but **you must notify the Professor in advance**. Otherwise, we will adhere to the [Core Class Attendance Policy](#).

Finally, as with core courses, please make it a priority to come to class on time and be **present, prepared**, and ready to **participate**. Plan to sit in the same seat for each session, and bring your name cards to every class.

2. Case Quizzes and Other Assignments:

For each class session that includes a case, you are required to complete an online multiple-choice quiz on Canvas that is composed of a set of questions related to the case. **Submissions are due by 7 am on the day of class**. The aggregated quiz answers are typically presented during the class discussion. You may discuss the case with your classmates, but your quiz answers must be based on your own careful analysis. Some quiz questions are subjective, while others have correct answers. If you

complete the quizzes you will get full marks regardless of whether you were correct, provided that you indicate your answers were based upon your own analysis. There will also be several other small assignments to help you build towards your final projects (details outlined below and on Canvas).

3. Final Paper and Presentation

Early in the semester students will form self-selected groups of 3-to-5 students to explore and develop an idea for a new business. At the end of the semester each group will make a 10-minute final presentation of their project to their fellow classmates and a panel of esteemed entrepreneurs and investors. For the presentation, teams will prepare a 10-to-12-slide investor power point pitch. A final paper is also required. The paper should be a maximum of eight single-spaced pages (12-point font), not including the four required appendices (see details below). Both the paper and the power point are to be submitted on the last day of class.

Your paper will be graded along four dimensions: [1] the quality of the final idea and the entrepreneurial insight; [2] the learning and progress that has occurred throughout the semester; [3] the diligence with which you have executed the study; and [4] the quality of the pitch or presentation. I am looking for interesting (but not necessarily “ready-to-launch”) ideas that have been well developed and iterated based on customer discovery, and that are also well researched and presented. **At the end of the semester, each student will also be asked to fill out an evaluation of their fellow group members, indicating the percentage that each member contributed to the final project. This will contribute heavily toward your final grade.**

The paper should address the following aspects of your proposed venture:

- Brief Description of the Opportunity
- Analysis of Market and Customer Segments
- Description of Product or Service and Value Proposition
- Identification of Competition and Competitive Insulation
- Overview of the Founding Team and Key Partnerships
- Timing and Financing

Each team is expected to meet with the professor at least once during the semester to discuss their projects; I will also be available for up to two additional meetings.

Appendix 1:

The Business Model Canvas, which summarizes the key components of your business model (customers, value proposition, revenue streams, etc.)

Appendix 2:

Summarize, in no more than five pages, what you learned about your venture idea from Customer Discovery. Please include brief summaries of interviews with at least fifteen strangers/non-CBS students. Provide one short summary paragraph per interview. A stranger is someone you do not know, but have reason to believe has knowledge that will assist you in evaluating your idea. Important interviews with people previously

known to you can also be included and can be valuable, but do not count towards the required fifteen interviews. These interviews can and should include: potential customers (including, if applicable, purchase decision makers, distributors, store buyers, and end-users), suppliers, investors, people in similar businesses, experts, etc.

Appendix 3:

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. **Be certain to list all of your assumptions!!** Do this monthly, until your cash flow turns positive and then yearly starting in the following year. Leave yourself cash balance, as a cushion, at the end of each period equal to at least one or two months' expenses. Remember to plug in the source and timing of equity investments and/or borrowings. Your cash flow should allow you to answer two questions:

- 1) In what month do you break even?
- 2) In what month do you recoup your total investment?

Appendix 4:

Create a "to-do list" for launching your proposed venture. This should include: a summary of your organizational, development, production, and sales goals, and the step-by-step tasks that need to be accomplished to achieve these goals. Examples of necessary tasks, from the mundane to the sophisticated, not necessarily in order, might include: (1) meeting with actual customers and securing orders; (2) lining up possible distributors; (3) lining up manufacturers and/or sources of supply; (4) identifying and securing key personnel; (5) finding and renting office space & equipment; (6) securing financing; (7) establishing key partnerships; and (8) coming up with a founder agreement.

Please submit all assignments online through Canvas unless otherwise specified.

GRADING

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

Class Attendance and Participation	40%
Case Quizzes and Other Assignments.....	20%
Final Presentation and Paper.....	40%

****A Final Note Regarding the Use of Electronic Devices in Class****

Normally there is a "no devices" policy in this class, but this is no longer possible due to COVID-19. Please turn off cell phones and only use laptops/tablets to take notes or participate in class-related activities. Violations will lead to deductions from your grade.

MODULE I: FRAMEWORKS

Class 1: Wednesday, January 26th

Topics: Welcome & Course Overview
Criteria for Venture Selection

Case: PieSky Ventures

Deliverables: [1] Complete the pre-class survey on Canvas to help me understand your reasons for taking this class.
[2] Upload your resume to Canvas
[3] Read PieSky Ventures.
[4] If you have a venture idea that you would like to explore in class, be prepared to deliver a one-minute pitch of your idea.

Class 2: Wednesday, February 2nd

Topics: Ideas vs. Opportunities
Break-Even Analysis
Business Model Canvas

Case: R & R

Deliverables: [1] Read the R&R case and complete online quiz.
[2] Fill in the Business Model Canvas Template using the R&R case.
[3] Sign up to lead case discussion or present BMC.
[4] One-minute pitches.

Readings: [1] Predicting Startup Success
[2] Marketing Analysis Toolkit: Breakeven Analysis
[3] Breakeven Analysis & Operating Leverage
[4] The Business Model Canvas: A Useful Tool (pp. 1-7)

MODULE II: CUSTOMERS

Class 3: Wednesday, February 9th

Topics: Customer Discovery
Customer Metrics: Customer Acquisition Cost and Lifetime Value

Case: Dropbox

Guest
Speaker: TBD

Deliverables: [1] Read Dropbox and complete online quiz.
[2] Submit on Canvas: P&L for Dropbox.
[3] Finish one-minute pitches and form venture teams

Readings: [1] The Most Important Equation for Your Startup
[2] Startup Killer: The Cost of Customer Acquisition

MODULE III: FOUNDING

Class 4: Wednesday, February 16th

Topic: Founding Teams & Partnerships

Case: Building Watch

Guest
Speaker: Ross Goldenberg (SiteCompli)

Deliverables: [1] Read Building Watch and complete online quiz.
[2] Submit on Canvas: One-page description of your venture idea, along with a list of team members.

Readings: [1] When Contracts Destroy Trust.
[2] Stitch Fix Co-Founder to Reap Millions in IPO; her Partner is a Footnote

MODULE IV: FINANCING

Class 5: Wednesday, February 23rd

Topics: Startup Financing: Crowdfunding, Angel, and VC Investors

Guest
Speaker: Entrepreneur and Investor Panel

Deliverables: [1] Upload Business Model Canvas for ventures to Canvas.
[2] Schedule ½ hour group meetings with Professor.

Readings: None

Class 6: Wednesday, March 2nd

Topics: Valuations, Term Sheets, and Founder vs Investor Control

Case: Logolaunch

Guest
Speakers: Carol A. Curley (Golden Seeds)

Deliverables: [1] Read Logolaunch, then complete online quiz.
[2] Register for simulation (in class).

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- Readings: [1] The NVCA Termsheet (at nvca.org)
[2] Read glossary of venture investment terms at <https://fundersclub.com/learn/glossary/>
[3] Comments to the NVCA Term Sheet (optional).

Wednesday, March 9th – NO CLASS (EXAM WEEK FOR A-TERM)

Wednesday, March 16th – NO CLASS (SPRING BREAK)

MIDTERM CAPSTONE

Class 7: Wednesday, March 23rd

Topic: Entrepreneurial Ecosystems: Founders, Key Hires, and Investors

Simulation: The Startup Game

Deliverables: [1] Register for Simulation, read background material, and negotiate deals!

Readings: [1] Roles for Founders, Employee, or Investor (available via the simulation)

MODULE V: SELECT TOPICS IN ENTREPRENEURSHIP

Class 8: Wednesday, March 30th

Topic: International Entrepreneurship

Guest Speaker: TBD

Deliverables: [1] Conduct some research on how entrepreneurship operates in a national context outside the U.S. (if you signed up to do so).
[2] Submit to Canvas summary of at least 15 Customer Discovery Interviews + Survey.
[3] Update Business Model Canvas on Noviggo.

Readings: None

Class 9: Wednesday, April 6th

Topics: Social Entrepreneurship

Guest

Speakers: Anika Warren (Draper Richards Kaplan)

Deliverables: [1] Submit one-page cash flow statement (with assumptions) for your venture's financial business model.

Readings: [1] Social Ventures
[2] When the Social Mission Comes Before Making a Buck
[3] The Business Model Canvas: A Useful Tool (pp. 8-12)

Class 10: Wednesday, April 13th

Topics: Startup Culture
Career Tradeoffs

Case: Taking the Road Less Traveled: Gregg Latterman and Aware Records

Guest

Speaker: Gregg Latterman (Aware Records)

Deliverables: [1] Read Aware Records and complete online quiz.
[2] Take Entrepreneur "Personality" Quiz

Reading: [1] A Founder's Hierarchy of Needs
[2] The Psychological Price of Entrepreneurship

MODULE VI: FROM STARTUP TO ??

Class 11: Wednesday, April 20th

Topics: Exits
Learning How to Pitch Yourself & Your Business

Guest

Speaker: Stephanie Mendonce & Chris Crawford (Spotify)

Deliverable: [1] Work on Final Projects.

Reading: [1] How to Choose an Exit Strategy (optional)
(<http://www.inc.com/guides/2010/10/how-to-choose-an-exit-strategy.html>)
[2] Exiting with Grace – and Profit (optional)
(<http://informationdisplay.org/IDArchive/2014/JanuaryFebruary/VentureCapitalExitingwithGrace.aspx>)
[3] Why Every Business Needs Powerful Storytelling to Grow
[4] Watch: <https://www.youtube.com/watch?v=Y2ZnZVWdGQQ>

FINAL PITCHES

Class 12: Wednesday, April 27th

Topic: Wrap-up and Final Presentations of Student Projects

Speakers: Students!!

Deliverables: Upload final papers and powerpoint presentations to Canvas.

CONGRATULATIONS, YOU'RE FINISHED!!