

**\*\*BIDDING SYLLABUS – DATES FROM 2023\*\***

**FOUNDATIONS OF ENTREPRENEURSHIP**

Management B8518

Spring 2024

**Section 001**

**Tuesdays 2:20 – 5:35 PM**

**Location: Kravis 820**

**Section 002**

**Wednesdays 2:20 – 5:35 PM**

Location: Geffen 420

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|  | **Instructor: Michael Mauskapf** Assistant Professor of Management  Columbia Business School  **Email:** [mm5123@gsb.columbia.edu](mailto:mm5123@gsb.columbia.edu)  **Physical Office:** Kravis 393  **Zoom Personal Meeting Room:**464 073 2917  **Office Hours:** By appointment |

**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 *Rolling Stone*. 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***](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>

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**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 team venture 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.

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. If you are not in the classroom, you obviously cannot participate. Please note that starting this term, the business school will no longer be offering a synchronous zoom stream for students interested in attending class virtually. There will be a live/archived recording of each class available via Echo360 on Canvas, but you will not be able to interact in real-time with me or the other students. If you are not physically in class, or have not notified me that you will be missing class for a reason excused under [OSA’s policies](https://www8.gsb.columbia.edu/mba-students/academic-essentials/policies/attendance-requirements), your absence will be considered unexcused. One unexcused absence will be permitted, but additional unexcused absences will result in a half-letter grade deduction.

**Note:** for those students who are less comfortable speaking up in an unprompted manner, I offer two other ways to participate: (1) you can send me an article or other source discussing some current event pertaining to the startup ecosystem in advance of class; and/or (2) you can sign-up to share some personal insights and/or research about how the startup ecosystem operates in an international context (**see Class 8 below**).

1. **Case Quizzes and Other Assignments:**

For each class session that includes a case, you are required to complete a short online quiz on Canvas. **Submissions are due before the start 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. As long you complete the quizzes on time, 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 throughout the semester (details outlined below and on Canvas).

1. **Final Paper and Presentation**

In the second week of the semester, students will be assigned to teams of 3-to-6 to explore and develop an idea for a new business that was pitched in class. 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 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 6-to-8 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 will meet with the professor at least once during the semester in class to discuss their projects. I am also available for up to two additional meetings outside of class.

**Appendix 1:**

Your 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, key insights gained from Customer Discovery. Please include brief summaries of interviews with at least 10 potential customers (a few

sentences or bullet points per interview), along with a summary of any survey results. Please try to talk to people outside of your cluster or the CBS community. In addition to interviews with/surveys of potential customers, you may also want to speak with potential suppliers, investors, partners, or other experts in your space.

**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. Note that your cash flow should allow you to answer two questions: (1) In what month do you break even?; and (2) In what month do you recoup your total investment?

**Appendix 4:**

Finally, 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 Note Regarding the Use of Electronic Devices in Class\*\***

There is a strict “no devices” policy in class. Please turn off cell phones, laptops, and/or tablets unless we are engaged in a class-related activity that requires one. Violations will lead to deductions from your course grade and/or removal from class.

***MODULE I: KEY FRAMEWORKS***

**Class 1: Wednesday, January 25th**

Topics: Welcome & Course Overview

Criteria for Venture Evaluation

Case: PieSky Ventures

Deliverables: [1] Complete the pre-class survey on Canvas to help me understand your   
 reasons for taking this class.

[2] Read PieSky Ventures (\*\*to be distributed in class\*\*)

**Class 2: Wednesday, February 1st**

Topics: Ideas vs. Opportunities

Break-Even Analysis

Business Models

Case: R & R

Guest

Speaker: Noviggo Founders

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] Optional: [sign up to pitch a venture idea in class](https://docs.google.com/spreadsheets/d/1UekUUS0RGHgJK13dTYdCJk1YH6NAlQ4a12As8nAh2vc/edit?usp=sharing), and be prepared to deliver   
 (very casual) one-minute pitch of your idea (no slides, please!).

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: FOUNDING TEAMS & PARTNERSHIPS***

**Class 3: Wednesday, February 8th**

Topic: Founding Teams & Partnerships

Case: Building Watch

Guest

Speaker: Ross Goldenberg & Jason Griffith (SiteCompli)

Deliverables: [1] Read Building Watch and complete online quiz.

[2] Bid to join a venture team (Qualtrics link to be shared before class).

Readings: [1] When Contracts Destroy Trust.

[2] Stitch Fix Co-Founder to Reap Millions in IPO; her Partner is a Footnote

***MODULE III: CUSTOMERS***

**Class 4: Wednesday, February 15th**

Topics: Product-Market Fit

Customer Metrics  
Customer Discovery

Case: Dropbox

Guest

Speaker: TBD

Deliverables: [1] Read Dropbox and complete online quiz.

[2] Upload P&L for Dropbox to Canvas.

Readings: [1] The Most Important Equation for Your Startup

[2] Startup Killer: The Cost of Customer Acquisition

***MODULE IV: STARTUP FINANCING***

**Class 5: Wednesday, February 22nd**

Topics: Crowdfunding, Angel, and VC Investors

Valuation

Venture Team Meetings w/ Professor (in class)

Guest

Speakers: Founder Panel (TBD)

Deliverables: [1] Complete valuation quiz on canvas.

[2] Complete Business Model Canvas for ventures on Noviggo.

Readings: [1] Read glossary of venture investment terms at   
 <https://fundersclub.com/learn/glossary/>

**Class 6: Wednesday, March 1st**

Topics: Venture Math, Term Sheets, and Founder vs Investor Control

Venture Team Meetings w/ Professor (in class)

Case: Logolaunch

Guest

Speakers: Investor Panel (TBD)

Deliverables: [1] Read Logolaunch, then complete online quiz.

Readings: [1] The NVCA Termsheet (at nvca.org)

[2] Comments to the NVCA Term Sheet (optional).

**Class 7: Wednesday, March 22nd**

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

Venture Team Meetings w/ Professor (in class)

Simulation: The Startup Game

Guest

Speaker: TBD

Deliverables: [1] Upload initial summary of Customer Discovery Interviews + Survey

[2] Register for Simulation, read background material, and negotiate deals in class

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

***MODULE V: SELECT TOPICS IN ENTREPRENEURSHIP***

**Class 8: Wednesday, March 29th**

Topics: Startup Law

Entrepreneurship in a Global World

Venture Team Meetings w/ Professor (in class)

Case: Praava Health

Guest

Speaker: Sylvana Sinha, Praava Health

Deliverables: [1] Read case on Praava Health and complete online quiz.

[2] [Sign-up to share personal insights or some research on how entrepreneurship](https://docs.google.com/spreadsheets/d/1L9CCKhh7PRON0B3Qs2Z8EWR69nJ0dX8kyJlsHow1KLA/edit?usp=sharing)

[operates in a national context outside the U.S.](https://docs.google.com/spreadsheets/d/1L9CCKhh7PRON0B3Qs2Z8EWR69nJ0dX8kyJlsHow1KLA/edit?usp=sharing) (optional).

Readings: TBD

**Class 9: Wednesday, April 5th**

Topics: Social Entrepreneurship

DEI in Entrepreneurship

Guest Anika Warren (Draper Richards Kaplan Foundation)  
Speakers: Ken Ebie (BE NYC)

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 12th**

Topics: Startup Culture

Pivots and Tradeoffs

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

Guest

Speakers: TBD

Deliverable: [1] Read Aware Records and complete online quiz

[2] Take Entrepreneur “Personality” Quiz

Readings: [1] A Founder’s Hierarchy of Needs

[2] The Psychological Price of Entrepreneurship

**Class 11: Wednesday, April 19th**

Topics: Learning How to Pitch Yourself & Your Business

Exits

Case: Nantucket Nectars

Guest

Speakers: Golnar Khosrowshahi, Reservoir Media

Deliverables: [1] Read Nantucket Nectars and complete online quiz

[2] Work on final deck and paper

Reading: [1] [Why Every Business Needs Powerful Storytelling to Grow](https://www.forbes.com/sites/celinnedacosta/2017/12/19/why-every-business-needs-powerful-storytelling-to-grow/?sh=712218f543b0)

[2] Watch: <https://www.youtube.com/watch?v=Y2ZnZVWdGQQ>

[3] How to Choose an Exit Strategy (optional)

(<http://www.inc.com/guides/2010/10/how-to-choose-an-exit-strategy.html)>

[4] Exiting with Grace – and Profit (optional)

(<http://informationdisplay.org/IDArchive/2014/JanuaryFebruary/VentureCapitalExitingwithGrace.aspx)>

***VENTURE TEAM PITCHES***

**Class 12: Wednesday, April 26th**

Topic: Final Presentations of Venture Projects

Speakers: Students!!

Deliverables: **Upload final papers and .pptx decks to Canvas.**

***CONGRATULATIONS!!***

**CASES AND READINGS**

**Class 1:**

* Case: [PieSky Ventures](https://www8.gsb.columbia.edu/caseworks/MichaelMauskapf/37940" \t "_blank)

**Class 2:**

* Case: [R & R](https://hbsp.harvard.edu/tu/6a7719b0)

Readings:

[1] [Predicting Startup Success (Links to an external site.)](https://hbsp.harvard.edu/tu/2973b8a2)  
[2a] [Marketing Analysis Toolkit: Breakeven Analysis (Links to an external site.)](https://hbsp.harvard.edu/tu/efd13dbc)  
[2b] [Marketing Analysis Toolkit: Spreadsheet Accompaniment (Links to an external site.)](https://hbsp.harvard.edu/tu/41cc796f)  
[3] [Breakeven Analysis & Operating Leverage (Links to an external site.)](https://hbsp.harvard.edu/tu/80a2f514)  
[4] [The Business Model Canvas: A Useful Tool (pp. 1-7)](https://www8.gsb.columbia.edu/caseworks/MichaelMauskapf/37a40)

**Class 3:**

* Case:[Building Watch](https://www8.gsb.columbia.edu/caseworks/MichaelMauskapf/379c0)

**Readings:**

[1] [When Contracts Destroy Trust (Links to an external site.)](https://hbsp.harvard.edu/tu/1df66a71)  
[2] [Stitch Fix Co-Founder to Reap Millions in IPO; her Partner is a Footnote](https://courseworks2.columbia.edu/courses/148519/files/12921905/download?wrap=1)

**Class 4:**

* Case: [Dropbox](https://hbsp.harvard.edu/tu/85f32caf)

Readings:

[1] [The Most Important Equation for Your Startup (Links to an external site.)](https://www.alleywatch.com/2014/04/the-most-important-equation-for-your-startup/)  
[2] [Startup Killer: The Cost of Customer Acquisition](https://www.forentrepreneurs.com/startup-killer/)

**Class 5:**

Readings:

[1] Glossary of venture investment terms: <https://fundersclub.com/learn/glossary/>

**Class 6:**

* Case:[Logolaunch](https://courseworks2.columbia.edu/courses/148519/files/12921911?wrap=1)

Readings:

[1] [The NVCA Termsheet](https://courseworks2.columbia.edu/courses/148519/files/12921906/download?wrap=1)[Download The NVCA Termsheet](https://courseworks2.columbia.edu/courses/148519/files/12921906/download?download_frd=1) (at nvca.org)  
[2] Read glossary of venture investment terms at [https://fundersclub.com/learn/glossary/ (Links to an external site.)](https://fundersclub.com/learn/glossary/)   
[3] Venture Capital Investment Terms - Comments to the NVCA Term Sheet (optional).

**Class 7:**

* Simulation:Link forthcoming.

**Class 8:**

* Case: [Praava Health](https://www8.gsb.columbia.edu/caseworks/MichaelMauskapf/37a80)

**Class 9:**

Readings:

[1] [Social Ventures.](https://courseworks2.columbia.edu/courses/148519/files/12921877/download?wrap=1)[Download Social Ventures.](https://courseworks2.columbia.edu/courses/148519/files/12921877/download?download_frd=1)  
[2] [When the Social Mission Comes Before Making a Buck. (Links to an external site.)](https://www.nytimes.com/2018/11/30/your-money/social-entrepreneurship.html)  
[3] [The Business Model Canvas: A Useful Tool (pp. 8-12)](https://www8.gsb.columbia.edu/caseworks/MichaelMauskapf/37a00)

**Class 10:**

* Case:[Taking the Road Less Traveled: Gregg Latterman and Aware Records](https://www8.gsb.columbia.edu/caseworks/MichaelMauskapf/37ac0)

Readings:

[1] [A Founder's Hierarchy of Needs (Links to an external site.)](https://www.forbes.com/sites/columbiabusinessschool/2019/01/09/a-founders-hierarchy-of-needs/?sh=4c4e700661a4)  
[2] [The Psychological Price of Entrepreneurship](https://www.inc.com/magazine/201309/jessica-bruder/psychological-price-of-entrepreneurship.html)

**Class 11:**

* Case: [Nantucket Nectars: The Exit](https://hbsp.harvard.edu/tu/1fb30c6b)

Readings:

[1] [Why Every Business Needs Powerful Storytelling to Grow](https://www.forbes.com/sites/celinnedacosta/2017/12/19/why-every-business-needs-powerful-storytelling-to-grow/?sh=712218f543b0)  
[2]  Watch: <https://www.youtube.com/watch?v=Y2ZnZVWdGQQ>

[3] [How to Choose an Exit Strategy](https://www.inc.com/guides/2010/10/how-to-choose-an-exit-strategy.html)

[4] [Exiting with Grace – Profit](https://medium.com/tandemlaunch-blog/exiting-with-grace-and-profit-eed08a67337)