

MTH6117 - Entrepreneurship
& Innovation



Department of Maths Queen Mary University London Course Booklet 2011-12

Course Organiser and Contact:

Dr Michael Wells

Teaching Fellow

Research and Enterprise

City University London

E310 Drysdale Building

Northampton Square

London EC1V 0HB

E-mail: mike.wells.1@city.ac.uk



Introduction

In this module we look at increasing your understanding of the entrepreneurial process as well as developing your skills, abilities and behaviour towards entrepreneurial venturing. Although business is an important context in this course, the skills and abilities are also important for social and intrapreneurial (inside an organisation) venturing. The knowledge and tacit skills learnt in this course aim to better equip you for the climate of uncertainty and complexity in the ever-changing job market with recession, global mobility, increases in contract work, job status changes and increases in self-employment.

We look at the entrepreneurial process through a variety of methods including lectures, scholarly theory and research to inform your thinking, in-class exercises to apply the theory, and experienced guest speakers from industry. The course is designed to be highly interactive in a safe and informal learning environment. We will look at many aspects of new venture creation from idea generation to how to sell your idea and win funding, if needed, to “bootstrapping” your enterprise idea with only a small amount of capital. We explore how to develop and protect the idea, building your skills, creativity and confidence through weekly missions building towards your team business plan. You will have the opportunity to discover and develop an important aspect in identifying opportunities and problem solving through innovative ideas and an increasingly important skill for the current climate. By the end of the course you should have built up your knowledge, confidence and have some useful transferable skills to help you in whatever future career you embark upon.

This course has been jointly organised by Enterprise Training, City University London, and the Department of Maths, QMUL. Enterprise Training works closely with researchers, business service providers and entrepreneurs to support the growth of knowledge from universities to societies.

Aims and Objectives

- To explore entrepreneurship and the enterprise culture.
- To introduce the key aspects of business planning, marketing and financial management required in the development of a business venture.
- To inspire students to think creatively using enterprise as a key component in their future development.

Learning Outcomes

On successful completion of this course, the student will be able to:

1. Demonstrate knowledge of the elements required to identifying and generate business opportunities and to commercialise ideas.
2. Describe the sources and the process involved in generating and validating ideas and what is needed to protect and exploit them successfully.
3. Identify and analyse the resources required for successful business development and determine how to obtain them.
4. Discuss the importance of business and financial planning and how to develop a business plan.
5. Interact effectively with others in a professional manner as well as negotiate and manage group work and decision making.

Course Details

Teaching Details

Teaching will run from 26 Sept 2011 to 12 Dec 2011. The class meets from 2 to 5 pm in Queen's FB-1 on the Mile End Campus.

Class periods will generally follow a standard format. First hour, lecture on entrepreneurship theory. Second hour, in-class exercise which allows you to apply the theory to your team project. Third hour, guest speaker from industry (usually a young and successful entrepreneur, often a QMUL graduate). Students will nominate guest speakers the first week of class. In the absence of a guest speaker for the third hour of each session, students will be asked present and discuss results of the In Class Exercise. Detailed course timetables can be found below in this course booklet.

Note: There may be entrepreneurship competitions (i.e., FLUX) you wish to enter or to which you may want to submit your enterprise plan for this course. Details about these will be announced during class time as they become available.

Student Responsibilities

Students in this course are expected to behave as adults. You are responsible for meeting all module deadlines. If you miss a deadline or a required class activity, it is your responsibility to contact the course director and make arrangements to rectify the situation—no one will chase you up for this purpose. Though class roll will not be taken, students are expected to attend class. Module marks history shows that regular session attendance strongly correlates with good marks. If you cannot attend a session, you should make arrangements for one of your classmates to take notes and collect any materials handed out that day (PPT slides will be posted on the VLE soon *after* each lecture, not in advance).

Students are expected to arrive to class on time and behave politely and respectfully towards each other, and the lecturer or speaker, during all classroom periods. Students who repeatedly disturb the class with chatting, the use of mobile phones, etc. will lose the privilege of attending class.

If you encounter any problems during the course, please use *email* to communicate with the course organiser (Mike Wells). This is for your own protection, to ensure that you have a record of all your communication and responses. Please do not call the course organiser on the phone except in a dire emergency.

Assessments

- ◆ Assessment 1—group: 50% of marks will be based on a team Enterprise Plan. (see Appendix 2 for details). This is split to 35% for the written report, and 15% for the oral presentation of the report, with all team members required to participate. The deadline for this coursework is end of term.
- ◆ Assessment 2—individual : 50% of marks will be based on an invigilated final exam.

Handing in Assessments 1 & 2

The exact procedure for handing in assignments is given in the Timetable available on the module VLE.

Rules and Regulations

Details on the rules and regulations for students of Queen Mary University of London can be found on the university website. This course supports those rules and will not tolerate plagiarism. Neither do we tolerate late submissions of coursework without extenuating circumstances and prior consent from the course organiser at mike.wells.1@city.ac.uk. Please refer to the school handbooks and website for further explanation.

All assessments will be scanned with software that identifies plagiarism from other students, books, websites etc.

Course Materials

Required Textbook (used to supplement class lectures—final exam will be drawn 50% from this):

Bruce Barringer and Duane Ireland, *Entrepreneurship: Successfully Launching New Ventures*, Pearson, Edition 3e (global edition), 2010.

A number of copies of this book are available for student use in the QMUL library.

Optional Textbook: Paul Burns, 2007, *Entrepreneurship and Small Business*, Palgrave Macmillan, 2nd Edition.

The other course materials will all be available online.

Assessment 1: Enterprise Plan (team)

Total Mark contribution: 50% (35% written plan + 15% oral presentation)

Task

In teams of 4-6 people (self-formed by students) you will be expected to research, develop, and present a new entrepreneurial opportunity. The idea may be either for a business or a social enterprise.

Assessment Procedures

As the assessment is set at the start of the course and you are expected to keep working on it throughout, you are strongly advised **NOT** to leave it to the last week (in-class exercises are designed to prevent this). You are responsible for organising your own time to work in your team. This assessment accounts for 50% of the total mark and will require your team to produce a business plan of no more than 12 pages, including the Executive Summary, and to give an oral presentation the last day of class.

Aims and Objectives

The aims of this assessment are to allow you to use the knowledge, skills and resources from the lectures and to put theory into practice. This will reaffirm the teaching and give you the confidence to use the resources to further your understanding of the subject and for future reference.

Whilst completing this assessment you should be able to develop the skill to manage your time and work effectively in a small group; generate ideas and gather data; evaluate and present outcomes using a short PPT presentation.

Learning Outcomes 1, 2, 5 (from Page 3)

Some Guidelines

You can be as creative as you want to be in the business plan but the following sections have some general guidelines to help you with it. Clearly write the name of the company, each company member, the course code and date on the front page of the business plan. Also highly recommended is to develop a good company name and a logo (mock up using clip art, photos, etc.)

You must provide a table on the cover page which lists the responsibilities of each of the team members in this opportunity assessment.

For example:

Team Member	Area of responsibility
Hussan Mohammed	Finances, description of business
Julie Timber	Finances, marketing section
Li Fan	Team management, human resources, board of directors

The Business Idea

Your team needs to come up with a viable business or social enterprise idea. This idea would need to be ethical and legal in the jurisdiction in which it is launched. Original ideas with elements of creativity/innovation are best. If it is something that is already in the marketplace try to think of how your team might have a different/better way of doing it that would attract your customers and possible investors. It is always good in the initial stages of

forming a strategy to keep the idea focused. You may do this by taking other elements into consideration, such as, barriers to entry and attractiveness to stakeholders (initial employees, investors, strategic partners, etc).

Your business idea must be approved by delivering a one minute Elevator Pitch of your enterprise idea. An Elevator Pitch template and example are available for download from the VLE (see home page). The best public speaker on your team should deliver the pitch, or your best two speakers. This exercise is to ensure that you have a solid USP and an idea that is realistic enough for you and your team to start yourself (if you so chose), yet beefy enough to be developed for this module.

This pitch is not assessed, but must be approved before you begin on your business plan. After the pitch, you will be grilled by your classmates and the lecturer to identify the strengths and weaknesses of your plan—your whole group should participate in the Q&A.

Existing enterprises you or your friends/family have started may NOT be used for your team project. The idea must be for a new enterprise that has not yet been launched.

Experience has shown that many groups change ideas several times before they settle on the right idea. This is normal. The creative process is messy at times, so don't despair if you keep changing ideas during the first half of the course, right up to the day the Elevator Pitch is due, or even after. Enterprise ideas are usually thrown out by teams for very good reasons, usually due to a weak USP or problems in the feasibility of the business model. If this happens in your group, take heart: very often, the best (highest marked) business plans in the module comes from teams which have changed ideas the most times. This reflects the fact that teams that change ideas often are learning a lot, evaluating their ideas in detail and applying the course theory, which results in a better grasp of entrepreneurship concepts and ultimately, better performance.

The Business Plan

The business plan is a document that describes the business idea, how you and your team aim to fund it, who your customers are, the market potential and competition, prospects for growth, the skills and expertise required, and the risks and hurdles that the business may face. Writing a business plan is an essential step in understanding the strategic implications of your idea and in raising finance, if necessary.

The following template will help you structure your business plan. Your plan will read better if you keep your paragraphs short and avoid writing long, dense passages of text.

Business Plan Template

Business Plan (Maximum 12 pages, minimum type point 11, 1 inch margins)

Title and Background

<p>Idea Title</p> <ul style="list-style-type: none"> • Short title for easy reference (for example, a brand name), no more than five words
<p>Executive Summary</p> <ul style="list-style-type: none"> • One A4 page with margins, font size, etc. same as rest of business plan

Market Opportunity (Part 1 of plan)

<p>(I) The product/service</p> <ul style="list-style-type: none"> • What is your product/service? • What is its function? • How does it meet the market need? • What is the Unique Selling Point? • Why will the customer buy your product/service? • How have you ascertained that your product/service is technically feasible?
<p>(II) The market opportunity</p> <ul style="list-style-type: none"> • What is the market need? • What is the size & monetary value of your target market? • Niche or mass market? • Who are your target customers? • Are your customers the 'end users'? If not, who is? • How have you 'segmented' your market?
<p>(III) Competitors</p> <ul style="list-style-type: none"> • Who are your main competitors? • Why aren't they solving the market need? • What are the substitute products/services to yours? • Why is your chosen industry attractive?
<p>(IV) Market entry strategy</p> <ul style="list-style-type: none"> • Who exactly is your first customer? • How will you sell to them, i.e. what is your business model? • How will your competitors react? • How will you create 'barriers to entry' to build market share? • What partnerships/alliances will you create to help you? • What 'milestones' do you need to achieve in order to commercialise your idea?
<p>(V) Growth plans</p> <ul style="list-style-type: none"> • Once you have conquered your first customer segment, how will you grow your business? • What new markets or products will you develop?

Startup Plan (Part 2 of plan)

<p>(I) Schedule showing actions & milestones</p> <ul style="list-style-type: none"> • When will the prototype product or service be ready? • When will facilities need to be leased? • When will employees need to be hired? • What promotional activities will be undertaken and when? (e.g., guerrilla marketing methods, bandwagon effect, etc.)
<p>(II) Cash Flow Analysis (should be done for 2 years, monthly, in Excel format)</p> <ul style="list-style-type: none"> • How much cash will you need? • When will you reach breakeven?
<p>(III) Finance Plan</p> <ul style="list-style-type: none"> • How much capital will you need, total? • How and where will you get it? • What will you offer lenders (if needed)? • What will you offer investors (if needed)?

Oral Presentation of plan

This is where all the work you have done on your enterprise idea comes together in a real-time, oral, and semi-public format. You and your team will have 5 minutes to present your enterprise plan to the class—PPT slides are allowed, as well as samples of your product or anything else which you think might help get your idea across (no live animals larger than a cat or dog, please!) All course lecturers will be in attendance, as well as one or more guest speakers, in a "Dragon's Den" type format (hopefully a bit kinder and gentler, though!) As most of your ideas will not qualify (yet) for funding, being too early stage, you should assume your audience is composed of various people who might be interested in knowing about what you are doing for possible investment or purchase later (i.e., scouts from business angel networks would be one example). Your presentation will be followed by a 5 minute Q&A period.

These presentations will be held the last day of class. The previous session (the week before) will be dedicated to helping you improve your presentation skills and learn how to "pitch" to an audience of this type (people who might want to invest in your enterprise at some later stage, when it is more developed). You will be marked on the general quality of presentation (timing, clarity, etc), application of course theory, originality & USP/competitive analysis, launch plan/milestones and the overall believability/level of convincing & handling of Q&A.

ALL the members of your team must speak during the presentation, either during the presentation itself or by handling at least one question from the audience.

If one of your team members cannot attend the final presentation due to illness or other excusable (according to QM rules) circumstances, your team should make every attempt to do the presentation without that person (your team's mark will not be affected if the person has an excusable reason).

A Note About Teamwork

We rarely are able to work with our friends in business. Such arrangements do not always work out. Even in entrepreneurial situations someone may join the team for their personality rather than their skills. This course reflects reality—learning to work in a team is one of important learning outcomes of the module. Maintaining a harmonious, collaborative team spirit throughout your work on the opportunity assessment is imperative and part of your responsibilities. The opportunity assessment is also a very important exercise in teamwork and an opportunity for all to gain first-hand experience of the dynamics of such an activity. Personality clashes do occur in teams, especially under pressure. **It is up to you to resolve any such matters in the most professional and equitable manner.**

Remember: you have chosen your team—they were not assigned to you! Therefore you are responsible for resolving your team issues yourself.

Assessment 2: Written Invigilated Final Exam (Open Book & Notes)

Total Mark contribution: 50%

This will consist of essay questions based on enterprise idea development (i.e., the type of work you do on in your business plan, such USP development, bootstrapping approaches, barrier to entry issues, etc.) as well as execution issues. You will probably be asked to do a cash flow problem based on a hypothetical startup situation. All this is covered in lectures and in the textbook. The exam is designed to assess an overall understanding of the

entrepreneurial process as described in the course and textbook (it is not designed to "nit pick" and assess how well you memorized fine details).

If you attend all lectures, read through the textbook, and actively participate in the development of your team's enterprise idea, you should not have any trouble passing the exam.

Guest Speaker Program

The guest speaker program (speakers invited to the class for the last hour of each session) is a key part of the module and has proved to be very popular with students. It is also an assessed portion of the module (via the online test). Most of the guest speakers are nominated by you (the students), so this is a chance for you to hear a personal entrepreneur/role model speak in a relatively small setting where you can ask him/her questions. These successful entrepreneurs tell the stories of how and why they started their enterprises, the challenges they faced along the way, and share general advice they have about how to be successful in entrepreneurship.

Your first assignment in the module (will count 2 points of your team business plan) will be to submit a form (passed out in class and also downloadable from the VLE) on which you must nominate three possible guest speakers. This form is due the second class session. The people your team nominates must be local, London area entrepreneurs who have started at least one successful business (managing directors, children who have inherited a family business, etc. do not qualify) You must supply their names, their company names, their company website, and an email address (if you can get it). If you know the individual personally or have some connection to the person, that is a plus—it may increase the likelihood of him or her accepting the invitation to speak to our class.

The speakers you nominate may NOT be celebrities (inviting them is a waste of time, as they will generally not speak to a university class free of charge). Celebrity is defined as "Has been on a TV show, even a short guest appearance, including reality shows". This automatically excludes people like Sir Richard Branson, Lord Alan Sugar, all the entrepreneurs who have appeared on Dragon's Den, etc. There must be enough online material on the entrepreneur (i.e., a bio) for the course director to determine whether or not the entrepreneur will be a good speaker for the class.

Once the nominations are in, the course director will send out invitations and the module timetable will be updated as the speakers accept. **If one of your nominees accepts our invitation to speak, you and your team are expected to be there and to introduce yourself to him/her afterwards (very often, speakers agree to come simply because someone in a university class has invited them, and they want to see who it is!) If you cannot attend that session for some (extremely good) reason, you are expected to let the course director know in advance so that apologies can be made to the speaker.**

When complete this assignment, please do your homework. We take this very seriously. Inviting and scheduling a half dozen or more guest speakers for a class is a large amount of work. Please do your part!