Fall 1999

MANAGING NEW VENTURES
COLUMBIA UNIVERSITY GRADUATE SCHOOL
OF BUSINESS

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OFFICE:

OFFICE HOURS AT COLUMBIA ON MONDAY
1 till 4 PM
CLASS: MONDAY 4:40
SYLLABUS AND ASSIGNMENTS

First a few words about the course:

The course will lead the student through the researching, writing, and presentation of a comprehensive business plan. The course content will focus on the development of entrepreneurial/intrapreneurial ideas.

The burden will be on the student to explore, develop, create, and present a realistic business concept. The role of the instructor will be to guide, encourage, and assist the student in this task. Guest lecturers will provide insight and expertise.

In many ways this course will be quite different from any you have taken to date. Essentially, you will be in control. You will:

• Select your own project
• Select your readings
• Work closely with your student "Board of Directors" to broaden your network and perspective
• Make direct contact with meet key people in your target industry
• Select and communicate with a "mentor" at least three times during the semester
• Produce a comprehensive business plan
• Make a formal presentation of your business concept

The process of developing the business plan will be broken into SIX subject areas:

MARKET AND COMPETITION
THE PRODUCT
THE MARKETING PLAN
MANAGEMENT
FINANCIAL ANALYSIS
A FORMAL PRESENTATION

(If your project is an acquisition, please meet with me to discuss modifications to this approach).

PHASE ONE: THE MARKET
Researching and Writing the section on THE MARKET AND COMPETITION. THIS SECTION IN ITS COMPLETED FORM WILL BE DUE BEFORE THE FOURTH CLASS. During the first three classes we will work on our preliminary ideas - testing their reality - learning about our market place. Don’t be surprised if a radical change occurs in your project during this phase. It’s often the case.

FOR CLASS TWO  Sept 20 th

• Write a one-page summary of your proposed project. If you have not refined your specific idea as of yet, write your thoughts about the particular industry.

• Read no less than 3 articles about the specific industry and summarize each into a paragraph. These summaries will be handed in weekly. (Obviously you should select articles which will provide research information.)

• Locate the Trade Association(s) involved with your target industry and obtain information kits, convention information, names of industry leaders, etc. If they are located in the New York area, visit their offices and ask to interview the executive director. Please provide this information at the end of your article.

Lecture: What you should know about he market?  
GUEST SPEAKERS: Joe Flicek CIE  
Jim Coen - Effective Research

FOR CLASS THREE – NOTE CLASS WILL BE HELD OF FRIDAY 24th 9-12 AM room to be announced.

Case: One World, An Internet Classified Ad Network Read Part A for Class

Part A  
Be prepared to discuss:  
What do you think of the idea?  
What would you want to know?  
Would you invest - and why?  
The case will be used to launch a discussion on the subject - the pain and ecstasy of the start up. Parts B and C will be presented in class.

• Compile meaningful data on the Market IN OUTLINE FORM (size, trends, opinions of experts, demographics, etc.)

• Learn that companies are the "players" and contact them for additional information, literature, etc.

• Conduct no less than five phone interviews with people involved with the industry. If they prove helpful, ask if they mind if you contact them again as you refine your product or service concept. Provide brief summaries of each contact.
• Read no less than three articles and write one-paragraph summaries. Identify and secure a "Mentor" for your project. This should be someone in the industry (preferably Columbia Graduate) that will meet with you no less than three times during the semester to discuss your work.

In class you will:

• Meet with your 'board of directors' and discuss your progress. Network to obtain contacts. This will be done during class.

FOR CLASS FOUR – Oct 4th
• Hand in your section on THE MARKET- Proofed, polished, and complete. MAKE FIVE COPIES (Understand you can go back and refine any section prior to assembling the complete business plan)

• Read and summarize three articles.

Lecture: Before You Launch Your Business- Things to Think About Starting- Buying- Franchise- Partnering
Case: Micromedia to be prepared in Class

 PHASE TWO - THE PRODUCT

FOR CLASS FIVE – Oct 11th
• Write a one-page description of your product or service. Hopefully your industry research has enabled you to refine and expand your original idea.

• Research and compile data on the products or services that will be your competition. Collect literature, get demonstrations, call companies and request interviews, etc. Study competitive pricing, marketing strategies, performance levels, etc.

• Set up a comparison matrix and state why you will have a competitive edge

• Make a list of the steps necessary to prepare your product for market. List resources, technical expertise, necessary equipment, etc. to provide or produce the product or service.

Lecture: Creativity- sorting out the idea
Case: Optospectrum (to be read in class)/ Asthma Whistle

FOR CLASS SIX – Oct 18
• Expand and refine your product description.

• Read and summarize three articles

• Meet with your mentor to review your ideas.

• Present a draft of the Product Section to each of the members of your board for review and comments.

BOARD OF DIRECTORS MEETING IN CLASS
Optional Case: Gasco

FOR CLASS SEVEN – Oct 25th
• Bring FIVE COPIES of the polished version of THE PRODUCT Section to class
• Read and summarize three related articles.

Lecture: Columbia GROW- The Entrepreneur’s Financial Tool Kit
Risk: Dennis
Board Meeting

PHASES THREE and FOUR: THE MARKETING PLAN / THE MANAGEMENT TEAM

FOR CLASS EIGHT – Nov 8th
• Develop a plan for effectively penetrating your market.

• Bring five copies of a draft of your marketing plan to class for review with your board.
  Develop pricing strategies.

LECTURE Guest Speaker: Joe Rubin Structuring the Organization
Dennis: Thinking About the Financials: What Investors Want to Know.

FOR CLASS NINE - Nov 15th

• Bring five copies of your polished Marketing Plan to Class (Preliminary Sales forecasts for three years are to be included). Be prepared to make a 5-minute presentation to your board. Use as a platform to discuss your strategy and answer their questions.

• Profile the management expertise necessary to launch your venture. Determine salary levels, benefits, expertise required, etc.

• Interview three key executives in the industry to determine necessary skill sets-- e.g., If the product requires a "system" sale, what salary levels and skills are necessary to hire quality people? If you are to manufacture, the key pieces of equipment.

Hand in A Rough Cut Break Even Analysis and Cash Flow for Two Years Using GROW models.
Board of Directors Meeting to Review Financial Models
GUEST SPEAKER: Len Miller - “Financing an Entrepreneurial Venture”

FOR CLASS TEN – Nov 22nd

• Draft an initial budget for capital items and operating expenses for the first two years of operation. (If you do not reach break even within two years- extend models.)

• Refine pricing analysis on your product or service (examine various price points, break-even points, etc.)

• Project your funding requirements.

Hand in a Draft of the Financial Section
Lecture: Making Effective Presentations

Formal Presentations

FOR CLASS ELEVEN AND TWELVE
Note: Presentations will be made on Monday Nov 29th and Dec 6th. Completed projects will be handed in during the last class.

Everyone in the class will make a five-minute presentation before a panel of guests consisting of potential investors and entrepreneurs.

It is important that you attend the last class regardless of whether or not you made your presentation on April 9th.
GRADING AND FEEDBACK

• MEMBERS OF YOUR STUDENT BOARD OR DIRECTORS WILL REVIEW AND OFFER VERBAL AND WRITTEN COMMENTS ON ALL PHASES OF YOUR PROJECT.

• DENNIS AND CLIFF WILL REVIEW AND MAKE SUGGESTIONS ON EACH SECTION AS THE PROJECTS ARE DEVELOPED. WHEREVER POSSIBLE, IT IS SUGGESTED YOU HAVE YOUR INDUSTRY MENTOR COMMENT ON YOUR WORK.

• THE FINAL PROJECTS WILL BE CAREFULLY REVIEWED AND GRADED FOR FEASIBILITY, CONTENT, AND PRESENTATION.

• WHERE APPLICABLE, ASSISTANCE WILL BE GIVEN TO THE STUDENT IN IDENTIFYING POTENTIAL SOURCES OF FUNDS.

• FALLING BEHIND WOULD BE A SERIOUS MISTAKE. IT IS ABSOLUTELY ESSENTIAL THAT YOU BRING REQUIRED MATERIALS TO YOUR BOARD MEETINGS AND HAND IN THE SECTIONS OF THE PROJECT ON TIME.

• THE FOLLOWING IS THE CRITERIA FOR YOUR GRADES. I WANT EVERYONE TO GET AND H.

  RESEARCH AND QUALITY OF OUTSIDE CONTACTS 10%
  CLASS AND BOARD PARTICIPATION 30%
  PRESENTATION 20%
  FINAL PROJECT 40%

WE TAKE VERY SERIOUSLY SUPPORTING YOUR EFFORT AND LOOK FORWARD TO MEETING WITH YOU. PLEASE SIGN UP FOR APPOINTMENTS TO DISCUSS YOUR PROJECTS AND DO NOT HESITATE TO GIVE A CALL AT MY OFFICE (203) 698 9640 or Dennis at 203 629 2723 IF YOU NEED HELP.