

BURCH FIELD RESEARCH SEMINAR ON ENTREPRENEURSHIP

Buck Goldstein, Professor of the Practice,
Department of Economics, Minor in Entrepreneurship
Charles Merritt, Professor of the Practice, Department of Economics
Executive Director, Minor in Entrepreneurship

with

Joseph DeSimone, Chancellor's Eminent Professor of Chemistry, UNC, and
William R. Kenan Jr. Distinguished Professor of Chemical Engineering,
North Carolina State University

Jennifer L. Halsey '94, Entrepreneur in Residence, Department of Economics
Investor and Strategic Adviser Palo Alto, California

Proposed for Spring 2017

A Joint Project of the Minor in Entrepreneurship and Honors Carolina

"To spend a semester in the Bay Area working for a high-tech venture and gain the knowledge provided by the minor in entrepreneurship at the same time is a dream come true for a UNC student interested in entrepreneurship."

– *UNC undergraduate student*

OVERVIEW

This Burch Field Research Seminar on Entrepreneurship is part of a wider university initiative to establish an enlarged presence for Carolina in the San Francisco Bay Area.

Students in the seminar will spend a semester interning in an innovative enterprise while pursuing the course work associated with the minor in entrepreneurship. The seminar will take full advantage of the strong entrepreneurial culture associated with the Bay Area. Trips to venues such as the Stanford Design Lab, the Y-Combinator Incubator, and iconic companies such as Apple, Google, Twitter, and Uber will be incorporated into the curriculum. The seminar will also involve local entrepreneurs in teaching, speaking, and mentoring.

The courses to be offered in this Burch seminar represent the core of the minor in entrepreneurship, a program of study that has been developed and fully tested on the UNC campus over the last ten years. The seminar will be open to students who have completed Econ 101 (a prerequisite) and the minor's mandatory gateway course, Econ 125 Introduction to Entrepreneurship.

To date, more than 700 students have completed the minor in entrepreneurship. Demand far outstrips the number of seats available, requiring the minor to turn away as many as 100 qualified students per year. The Bay Area seminar will create a high-impact learning experience in what is arguably the most exciting entrepreneurial environment in the world, and it will provide 18-20

slots for students who otherwise would be denied participation in one of the university's most innovative and highly-regarded undergraduate programs.

GOALS

The goals of this seminar are:

- To provide students with an intellectual framework for entrepreneurial thinking that translates problems into opportunities, and a methodology for determining the viability and attractiveness of an opportunity.
- To provide students with the practical skills critical to entrepreneurial success.
- To provide quality work experiences in enterprises that will further students' understanding of innovation and entrepreneurship.
- To create the opportunity for students to build a professional network in the Bay Area.
- To provide a bridge to future employment, either in the Bay Area or elsewhere.
- To expand Carolina's footprint in the Bay Area and promote active alumni involvement in advancing the university's teaching and research priorities.

ACADEMICS

Students in this semester-long Burch seminar will enroll in two three-hour courses and an internship-based practicum worth six hours of academic credit, for a total of 12 credit hours. The courses are Econ 325H, Entrepreneurship: Principles and Practice; Econ 327H, Business Venturing Workshop; and Econ 393H, Practicum in Entrepreneurship (Internship).

The seminar will run for 15 weeks. The first two weeks will be devoted to Econ 325H. Econ 327H and 393H will meet throughout the next 12 weeks, and the final week will provide time for exams and end-of-term portfolio and project presentations.

Econ 325H Entrepreneurship: Principles and Practice (3 credit hours, satisfies minor requirement) Instructors: Buck Goldstein and Charles Merritt (on-site)

Econ 325H, a two-week intensive course of study to be offered at the beginning of the seminar, will provide a granular approach to the most important tasks required to create a new enterprise. The course will meet for four hours a day, for a total of 40 classroom hours. A three hour exam period will be scheduled at the end of week two, bringing the total number of contact hours to 43. The course will follow the syllabus currently in use on campus.

Econ 327H Business Venturing Workshop (3 credit hours, satisfies minor track requirement) Instructors: Buck Goldstein and Charles Merritt (on-site, on-line, and via video teleconferencing), with assistance from Jennifer Halsey (on-site, see p. 3)

The venturing workshop will take advantage of the resources of the Bay Area to give students a unique combination of experiential learning opportunities. The content of the course will include at least seven site visits to innovative companies or enterprises in the Bay Area, two weekend-

long workshops (one focused on ideation and the other on design, both led by Professors Goldstein and Merritt), and a series of speakers, all of whom will bring real-world expertise to the classroom. Networking events will also be integrated into this course. The course will meet weekly for 3.5 hours in the late afternoon or evening, and ad hoc as special events and opportunities present themselves, for a total of 42 contact hours. It will follow the syllabus currently in use on campus.

Econ 393H Practicum in Entrepreneurship (Internship, 6 credit hours; satisfies minor internship, practicum, and elective requirements) Instructors: Buck Goldstein and Charles Merritt (on-site, on-line and via video teleconferencing) with Joseph DeSimone and Jennifer Halsey (on-site)

The internship is central to the curriculum of the Minor in Entrepreneurship. As such the minor employs a full-time internship director and, for the last two summers, has placed students in internships in the Bay Area. This Burch seminar will build on that foundation by tapping into the expansive network of Carolina alumni in the Bay Area who can offer new placements directly, or broker placements through their business and professional relationships.

Students in the Burch seminar will work in their internships 30 hours per week over 12 weeks, for a total of 360 contact hours. The academic component of the internship will follow the syllabus currently in use on campus. Students will blog weekly on their internship experiences, and they will build a portfolio to be submitted at the end of the term. Supervision will be provided by Professors Goldstein and Merritt (on-site, on-line, and via video teleconferencing), together with Joseph DeSimone, Chancellor's Eminent Professor of Chemistry at UNC and William R. Kenan Jr. Distinguished Professor of Chemical Engineering at North Carolina State University, and Jennifer Halsey, Bay Area investor and Entrepreneur in Residence, Minor in Entrepreneurship (on-site). Professor DeSimone is in residence in the Bay Area conducting research in 3-D printing and managing Carbon 3D, a start-up that is commercializing new technologies developed in his lab. Ms. Halsey resides in Atherton.

HOUSING, TRANSPORTATION, AND CLASSROOM SPACE

Students will reside in on-campus housing at Menlo College, a fully-accredited private institution located in Atherton. Support and oversight services will be provided by fully-trained student RAs, residential fellows (faculty and staff) who live in Menlo's dormitories, and student affairs professionals who maintain 24x7 call coverage and participate in rounds every evening. Menlo College will also provide space for class meetings.

Students will travel to their internship placements via public transportation (buses and CalTrain) and Uber. Deeply discounted commuter passes will be included in the program budget.

LOCAL OVERSIGHT AND MENTORING

Honors Carolina will employ Jennifer L. Halsey '94 to assist with internship placements and supervision (see Econ 393H above), provide professional mentoring, coordinate networking with Bay Area alumni, and manage local oversight of this Burch seminar. Ms. Halsey is a senior strategic advisor, investor, and operating executive focused on high-growth medical technology companies. She was the founder and managing director of Asante Partners, a firm that provides strategic and advisory services to middle-market healthcare companies; she worked as Senior Vice President for Strategy and Business Development at Varian Medical System; and she is currently Chief Financial Officer at Companion Medical and serves as a strategic advisor to health technology firms Cathera and Pulsar Vascular.

Addendum : Burch Field Research Seminar in Entrepreneurship

Course Outlines

This memo summarizes the course content as currently envisioned for the Burch Seminar in Silicon Valley. Students should have completed ECON 125 or ECON 57H prior to applying for and enrolling in the Burch Seminar, and our outline assumes they have a basic understanding of several key frameworks, the primary one being an understanding of “lean startup” and the business model canvas.

ECON 325H: The Entrepreneurial Toolbox (draft syllabus follows)

Beginning in the fall semester of 2016, ECON 325 will focus more heavily on developing fundamental tools important for entrepreneurs in any type of enterprise: for profit, non-profit or hybrid models. The course will be taught in five “modules” that cover 1) Design Thinking and Ideation, 2) Customer Development, 3) Strategy, 4) Entrepreneurial Finance, and 5) a variety of related topics.

This structure will help us develop similar “modules” for use in the ten-day ECON 325H course that is part of the Burch Seminar. We will spend two four-hour class days on each module. Each day will be divided into two two-hour sessions, one in the morning (9am – 11am) and one in the afternoon (1pm – 3pm). There will be readings, online content, and assignments for each day, along with individual and group-work tasks. We will teach this course during the first ten weekdays of the seminar. The course will be taught on-site by Minor in Entrepreneurship instructors Buck Goldstein and Charles Merritt, and will include participation by our on-the-ground instructors (Joe DeSimone and Jennifer Halsey) and guest lecturers/speakers.

ECON 327H: Ventures in Silicon Valley (current ECON 327 syllabus follows)

The current ECON 327 courses comprise a variety of “tracks” that place the theoretical underpinnings learned in ECON 125 and the tools learned in ECON 325 into a specific context. Current “tracks” include: Arts, Commercial, Computer Science, Design, Media, Public Health, Scientific, Social, and Sports.

For the Burch Seminar, ECON 327H will be taught in the context of technology startups in Silicon Valley. The course will be led by our on-the-ground instructors, Professor DeSimone and Jennifer Halsey (Entrepreneur in Residence, appointment pending in the Minor in Entrepreneurship). Professor DeSimone has taught ECON 327 on campus at UNC and is very familiar with the course content and expectations. Jennifer Halsey will be a key resource for connect students with “real world” experiences such as site visits to key technology companies and investors, and providing enrichment activities that expose students to the culture of Silicon Valley. We will also hope make connections with world-class opportunities for learning such as Stanford’s D School.

Classes and visits will take place on Fridays, beginning in February with a mix three-hour morning or afternoon session. We will also plan two weekend sessions with a full day of course and/or project work (such as a startup “bootcamp” experience) for early March and a final workshop in mid April. The weekend workshops will include participation by UNC campus-based faculty (Goldstein, Merritt, other Entrepreneurs in Residence). Assignments will be similar to those in current ECON 327 classes, including short case write-ups and “deliverables” related to making progress on team projects. We will achieve 40 or more hours of classroom time by the middle of April, and the final weekend workshop will include student presentations of their projects to outside judges and guests. There will be a dinner or social event to mark the completion of the course work.

ECON 393H: Practicum in Entrepreneurship (current ECON 393 syllabus follows)

The Minor in Entrepreneurship requires that students complete an internship, and we have incorporated this experiential aspect of the Minor into a unified experience in the Burch Seminar. ECON 393H will allow students to receive academic credit as they complete over 300 hours of work as interns and then prepare a portfolio project that pulls all the threads together. Once students begin their internship, they will have weekly blog post assignments that tie into key elements of lean thinking and the business model canvas. These blog posts will serve as the outline for their own thoughts and reflections on the ways that classroom learning connect with their work experiences. The blog post will be reviewed online by Professors Goldstein and Merritt. Once course work ends in mid-April, the students will have approximately two weeks to complete their final portfolio projects and submit them to Professors Goldstein and Merritt for final grading.

The internship coordinator for the minor in Entrepreneurship in partnership with the Honors Carolina internship coordinator, will check in with each placement to ensure the placement and work are satisfactory for both the student and supervisor. Jennifer Halsey will also hold office hours to coach and debrief practicum experiences with students as needed.

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ECON 325H: The Entrepreneurial Toolbox

January 11 thru 24, 2017 (10 class days)

Meeting Time: 9:00 -11:00am and 1:00 – 3:00pm each class day

Location TBD (Bay Area)

Spring 2017

Primary Instructors

Charles E. Merritt

Executive Director, Minor in Entrepreneurship

Professor of the Practice, Department of Economics

Email: merritt@unc.edu

Phone: (919) 962-2696 (office)

Buck Goldstein

University Entrepreneur in Residence

Professor of the Practice, Department of Economics

Email: buck_goldstein@unc.edu

Phone: (919) xxx-xxxx

Prerequisite: ECON 125 Introduction to Entrepreneurship and permission of the instructor(s).

ECON 325H is part of Burch Field Research Seminar on Entrepreneurship, a partnership between Honors Carolina and the Minor in Entrepreneurship. The Burch Seminar in Silicon Valley will provide a unique opportunity to complete the majority of the course and experiential work for the Minor in Entrepreneurship while being immersed in an internship in the technology capital of the world. Building on the foundational theories and concepts introduced in ECON 125, we will dive deeper into some of the fundamental tools of the entrepreneur. ECON 325H will continue to use Lean Startup and the Business Model Canvas as the organizing principles for the course, and will place each 2-day module within this conceptual framework.

We will spend two class days (a total of eight class hours) on each of the following core topics:

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- Design Thinking / Ideation
- Customer Development
- Strategy
- Entrepreneurial Finance

The last two class days will briefly cover several key tools that are picked up in later courses in the Minor (including the ECON 327H course in the Burch Seminar): pitching and presenting, team building and developing your personal “brand” as an entrepreneur.

Goals

- Students should be familiar with the tools required to identify a source of opportunity that could serve as the foundation for a new business (for profit, non-profit or hybrid)
- Students should be able to clearly define a customer segment and be able to articulate initial plans on how to attract and retain those customers to their business model
- Students should understand key elements of strategy to be able to position their business model in the context of a competitive marketplace
- Students should have an understanding of basic accounting & spreadsheet skills for entrepreneurs, including how you turn assumptions into financial models to track your business, how much someone might pay for your idea and the cost structure required to support your business model

Resources (*Draft – resources/materials TBD*)

The class will draw on a variety of teaching techniques, including lectures by faculty, guest lecturers and speakers, case studies, readings, online course material, assignments, and out of class experiences.

You will need to register for the free Udacity online course: *How to Build a Startup*. The link is: <https://www.udacity.com/course/ep245>

You will receive via email a link to an online coursepack from Harvard Business Publishing. The cost of the online resources is typically far less than a single textbook.

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If you want to learn more about the business model canvas as well as ideation and design, we recommend (but do not require) purchasing *Business Model Generation*, by Osterwalder & Pigneur.

Other books we highly recommend:

The Lean Startup by Eric Ries.

Financial Intelligence for Entrepreneurs by Karen Berman and Joe Knight;
which a very good resource on accounting for entrepreneurs

The Design of Everyday Things by Don Norman; a seminal work on design and the design thinking.

Schedule - (Draft - possible topics, readings, assignments, etc.)

Class	Date	Topic	Activity & Assignment
Design Thinking and Ideation			
1	11 JAN	Introduction to Design Thinking	Readings: "Design Thinking," by Tim Brown (online coursepack) and Chapter 1 from "The Design of Everyday Things," by Don Norman (link will be made available on Sakai).
2	12 JAN	Design Thinking in Practice: Ideation and Human Centered Design	In class: prototype design and testing using paper
Customer Development			
3	13 JAN	Who is my customer?	Case Study
4	16 JAN	Developing Go to Market Strategies	Digital and physical product strategies for customer development Guest speaker: relevant start-up
Strategy			
5	17 JAN	Strategy: positioning your business model	Readings: <i>What is Strategy?</i> , Michael Porter

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			Case Study
6	18 JAN	Strategy: Innovation versus incremental improvement	Readings: <i>The Dilemmas of Innovation: A Summary</i> , Clayton Christensen <i>Introduction: Why Good Companies Fail to Thrive in Fast-Moving Industries</i> , Clayton Christensen
Entrepreneurial Finance			
7	19 JAN	Financial Basics: Cash accounting and the basic statements explained	Reading: "What is Financial Intelligence," by Berman, Knight & Case Case In class exercise
8	20 JAN	Turning business model assumptions into financial models Venture Valuation Basics and Capital Raising	Assignment: build financial statements Case/Guest Speaker
Others Tools and Topics in Entrepreneurship			
9	23 JAN	Team Building: skills and incentives Pitching and Presenting	
10	24 JAN	Professional development: marketing yourself in the digital age Wrap up and case exam	

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Grading

Active participation	20%
Module summations	40%
Final case write-up	40%

[To Be Detailed – envision some sort of short “test” after each module, perhaps a short write-up, an assignment or brief presentation, etc. We would envision the final being a case write-up that would integrate various elements of each module into a comprehensive test of the student’s understanding of applications and implications of the tools they have learned.]

About cold calls...

We utilize “cold calls” in our class extensively. It is a common practice in many graduate level classes. On any given day, you may be randomly called to answer a short question, or share your thoughts on a case or assigned reading. In short, you are always responsible for the content of any readings and, of course, any assignments. You will not be “graded” *per se* on your cold call answer but your participation grade will suffer 1) if you are not there when called, or 2) have clearly not done the work to prepare for class. So, come to class and be prepared. That is what we expect.

Team Assignments

Some of the work in this class is done in teams. Each team assignment should be submitted by only one member of your team to Sakai or as directed by the instructors – direct email, Google form, etc. Each team member will share the same assignment grade. Assignments turned in late or incomplete will receive a 0.

Honor Code:

It is expected that you will conduct yourself within the guidelines of the University honor system (<http://honor.unc.edu>). All academic work should be done with the high levels of honesty and integrity that this University demands. If you have any questions about your responsibility or your instructors’ responsibility as faculty members under the Honor Code, please see the course instructors.

Seeking Help:

If you need individual assistance, it is your responsibility to meet with an instructor during office hours or to set up an appointment for another time. If you are serious

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about wanting to improve your performance in the course, the time to seek help is as soon as you are aware of the problem – whether the problem is difficulty with course material, a disability or an illness.

Diversity:

The University's policy on Prohibiting Harassment and Discrimination is outlined in the Undergraduate Bulletin <http://www.unc.edu/ugradbulletin/>. In summary, UNC is committed to providing an inclusive and welcoming environment for all members of our community and does not discriminate in offering access to its educational programs and activities on the basis of age, gender, race, color, national origin, religion, creed, disability, veteran's status, sexual orientation, gender identity, or gender expression or disabilities.

Special Accommodations:

If you require special accommodations to attend or participate in this course, please let the instructors know as soon as possible. If you need information about disabilities visit the Department of Disability Services website at <http://disabilityservices.unc.edu/> or call (919) 962-8300.

Entrepreneurship Minor



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

ECON 393 PRACTICUM IN ENTREPRENEURSHIP EXPERIENTIAL EDUCATION ENRICHMENT Summer/Fall 2015 Program

Instruction: Instructor - Charles E. Merritt
Facilitator – Lauren Willets
E-mail: merritt@unc.edu;
lauren.willets@unc.edu
Phone: Charles: 919-962-2696
Lauren: 919-843-2689
Office: Suite 104 Gardner Hall
Class: Tuesday & Thursday 9:30 a.m.,
08 Gardner Hall
Class days TBA

PREREQUISITES

ECON 325 and the consent of the instructors. We expect that you will take advantage of the experiential education opportunities presented by the internship enrichment program. In practice, this means executing the various duties required of your internship in a manner that meets or exceeds the expectations of your employing organization and the attendance at 6 enrichment sessions unless you have permission to miss from the instructor or the Director of Student Programming. You must complete 8 weekly journal entries over the course of the summer. At least one telephonic meeting with the Director of Student Programming or your designated mentor is also required. Not only are you an ambassador for the Minor, but you also represent UNC to the people you meet. Dress for all events is business casual unless otherwise noted.

COURSE MISSION AND SCOPE

The Minor in Entrepreneurship will host a summer internship group seminar to acquaint students with local companies, facilitate networking, and immerse you in the social, cultural and professional life of the city they are in.

This opportunity is formally Econ 393, which serves two purposes. First, it is the mechanism for receiving credit for your internship and reflecting on the total experience in the Minor. The major portion of your grade will be determined by the internship portfolio work, described in detail below. The second purpose of the course is to “top off” your experience in the Entrepreneurship Minor with a greater understanding of the entrepreneurial scene in the region.

COURSE CREDIT

We ask that you attend at least 6 sessions to receive full participation credit. If you are participating in the program this summer in the cities with enrichment activities, you are responsible for discussing the time commitment with your internship supervisor up front. It is important to set this expectation with your supervisor early and let them know this is considered part of your course of study for the Minor. If it is not possible for you to commit to attendance at the weekly sessions, or you are in a location where you do not have access to enrichment activities, you may opt out of the internship enrichment program and attend ECON 393 class sessions in the Fall semester. Your portfolio grade, the quality of weekly journal entries in the summer and the balance of your grade in Econ 393, will be decided after you submit your paper in the fall (see a detailed description of the paper below) or upon completion of the Fall ECON 393 class for those needing to fulfill the participation requirement. **All students in the Minor must be enrolled in ECON 393 to fulfill the requirements of the program.** If you have questions about grading, the enrichment sessions (where available), or fall class participation contact Lauren or Charles.

COURSE REQUIREMENTS AND EVALUATION:

Regular attendance and participation are critical to your success in this program. You are expected to participate actively by asking questions in each session you attend and engaging via social media or blogging afterward. The same requirements apply for attendance in fall term class sessions where we will have a variety of guest speakers and enrichment activities. The Syllabus will be updated later this summer with more information on Fall class meeting dates and activities.

READINGS:

Articles and other information will be posted to the class Sakai site.

Active participation in site visits, enrichment experiences and/or the classroom – 20%

It is important to appreciate that each enrichment session and class is interactive. Please listen carefully to the hosts or guest speakers and one another and attempt to build on or constructively critique ongoing conversations.

An effective participant:

- Researches the host's/company's story
- Prepares questions in advance
- Blogs and **tweets** about their experiences
- Makes points relevant to the ongoing discussion among peers

For each site visit, research the organization's business and history and write down a few questions to ask the host. For guest speakers, research who they are and their past professional and/or educational experiences. Be thoughtful and engaged, looking to learn things from every experience.

Weekly Journals 40%

Each week of your internship, you are required to complete a journal entry analyzing your host organization or company through Drucker's principles, the business model canvas framework, and other course concepts. These entries will be beneficial as you compile your final portfolio. Additionally, each week, you are required to record your work deliverables, lessons learned, and reflections on enrichment events. Clear and concise responses are fine, but answers that lack depth of thought, minimal effort or are too brief will not receive full credit and could impact your final grade.

Week 1: Value Proposition. What is the VP of your company?

Week 2: Customers. Who is your customer? What is the target market? What strategies are implemented to reach this target market? What are the channels by which your company reaches their customers? How does your company manage customer relationships?

Week 3: Key Partners. Who are key partners of your company? How does your company interact with the local community? Are there any national or international partnerships? How does this affect the company?

Week 4: Key Activities. Key Resources. What are the critical activities that occur daily, weekly, and monthly? What activities are central to the company's success? What are the activities that effect the company environment? How does this effect productivity and the work culture?

Week 5: Finance. What is the organization's cost structure? What are the different revenue streams? What activity or service has the greatest profit margin? What activity or service has the greatest social impact?

Week 6: Drucker. Refresh yourself on Drucker's principles of innovation. Where do you see these at play in your company?

Week 7: People. Who is in leadership? What qualities do these people possess that make them successful? What is the founder's story? What is the team dynamic in the company? Tell us about your manager. What has s/he done well? Where is there room for improvement?

Week 8: SWOT analysis. Break down your company: strengths, weakness, opportunities, and threats. If you were in leadership, where would you innovate, pivot, or strategically develop your company?

Internship Portfolio - 40%

The portfolio should be submitted in hard copy form and must include the following:

1. A brief description of the work/project that was undertaken for the internship.
2. A weekly journal of the intern's experiences at the internship. Use your weekly journal entries and build them out with the perspective you have at the end of the summer internship.
3. Work deliverables and other materials such as newspaper clippings, journal articles, brochures, etc. Please show us the products of your hard work, whether graphics, an example spreadsheet or a strategic plan.
4. A brief (no more than 2 page) reflection on your internship, the Minor and the way the two inform each other. Tell us what you learned inside and outside the classroom and how you plan to use these insights in the future. In sum, what does this experience mean?
5. Please fill out a business model canvas of your company or organization and turn it in.
6. You may include other items in your portfolio including, but not limited to:
 - A list of outside reading that you did in preparation for your internship.
 - Outlines of readings you did that were relevant to your internship.

Final portfolios are due by September 30, 2015.

Evaluation Criteria and Grading.

Grades for your portfolio will be determined using the three criteria listed below:

Completeness: All requested elements must be included.

Relevance to entrepreneurship and the minor: The whole point of the internship is for students to observe an entrepreneurial organization from the inside and see how the concepts that were developed in the classes are applied or could be applied in the real world. The project should demonstrate to us that you went through that process.

Quality and depth of insights: Following on from above, the better you tie things together and demonstrate the depth of your knowledge, the better your grade will be.

Format, organization and quality of written/visual product: Content is more important than form, but form does matter. Please organize your material into a thoughtful product that is concise and well written. Quality of content matters more than quantity of content.

To avoid confusion, your final grade is determined by:

1. Participation in most or all of the planned enrichment events (in locations where offered) or ECON 393 classes in the fall. We understand that it may not be possible to attend every summer event or every fall class/enrichment activity, but the expectation is that you attend the vast majority of them, perhaps missing one of six scheduled events or classes for example. Repeated failure to attend or unexcused absence will lead to a reduction in your grade.
2. Completion of required journal entries in a satisfactory manner. Please take time to respond to the journal prompts. This is a valuable way to tie your work experience to concepts learned in the classroom. Clear and concise responses are fine, but answers that lack depth or are too brief will not receive full credit and could impact your final grade.
3. The letter grade on the portfolio project. The primary determinant of your grade is the portfolio project as it is a summary of much of what you have done throughout the summer. Assuming you have 1) participated adequately and 2) completed the journal entries as noted above, your final grade in the class will be the letter grade on your portfolio.

Prior to the submission date for your portfolio project, we will inform you of your evaluation on the first two components of the course.

ECON 327-004 Business Venturing

Spring 2016

008 Gardner Hall

9:30 – 10:45 AM Tuesday/Thursday

Charles E. Merritt

Professor of the Practice & Executive Director

Minor in Entrepreneurship

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Office Hours: Monday and Wednesday, 3:00 – 5:00 PM or by appointment

Janet L. Davis

Professor of the Practice & Entrepreneur in Residence

Minor in Entrepreneurship

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Email: jandavis@email.unc.edu

Office Hours: [Tuesday and Thursday, 11:00 AM - 1:00 PM] or by appointment

ECON 327 Business Venturing (the “Commercial Track”) is the second course in the Minor in Entrepreneurship and extends the use of the Lean Startup methodology to continue to build the skills required to turn an idea into a viable business. ECON 325 explored the ideation process, with an emphasis on determining the viability of a proposed Value Proposition and target Customer Segment. ECON 327 will continue the process, revisiting ideation (as we look for interesting business models to pursue, potentially drawing from ones previously developed in ECON 325) and extending into the development of a more complete business model by looking at other elements of the business model canvas: Channels, Customer Relationships, Key Partners, Key Activities and Key Resources. We will also take a deeper look at Revenue Streams and Cost Structure. We will use a combination of lectures (generally brief), case discussions, in class exercises and guest speakers and lecturers to bring the material and concepts to life. The class will culminate in a team presentation of a complete business model that could be presented to potential investors. The Commercial track is designed to help students learn primarily about creating for-profit enterprises in a wide variety of industries.

Prerequisites:

Students must be admitted to the Minor with the permission of the Director of the Minor in Entrepreneurship. ECON 101 must have been completed. ECON 325 is taken in the fall term prior to ECON 327 or one of the cross-listed courses that meet the requirements for the Minor.

Goals and objectives of the course:

We will be trying something a little different in this course. As you all know by now, a very typical “next step” for early stage companies would be applying to an incubator/accelerator

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program. Once you have formed a team around an idea, we will spend the bulk of the term “applying” for a grant from NC Idea as a way to frame your learning.

- Apply and extend the learning from ECON 325 by working on a team-based venture
- Learn about practical elements required to execute on a new venture (legal, HR, team building, etc.)
- Continue to refine your ability to pitch and “tell the story”
- Explore in more detail the process of financing new ventures
- Explore in greater detail the process of creating business models

Your venture may come from prior work in ECON 325 or ideas you bring from other areas of interest. We will discuss the requirements in more detail in class, but a few things you should consider:

- The idea **MUST** have the potential to scale beyond the UNC campus
- The idea must have some element of innovation and not be a recreation of an existing business model
- It should be amenable to testing via use of a minimally viable product

Teams will form early in the class as noted in the syllabus. We expect you to take into consideration what you have learned in ECON 325 and elsewhere, that diverse teams are better at developing solutions to complex problems such as entrepreneurial ventures. While we will let you form your own teams, there are some guidelines you must meet:

- No team can be comprised entirely of students of the same gender
- You may have no more than two students from the same major course of study
- You may have no more than two students who are in the same fraternity/sorority/social organization

Course Policies and Expectations

The majority of the course is team based and there will be in class and out of class requirements for your entire team. As a result, your presence in class is expected. Everyone gets a free pass on one day but beyond that you need to let us know via email if you will be absent and why. Illness or other major life issues will be the only accepted excuses.

Resources:

You should have received a link to a short coursepack on the Harvard Educational Publishing website with some of the articles and cases we will review in class. There will be other material (articles, links, etc.) posted to Sakai throughout the semester so please be attentive for messages from me via Sakai.

You need to purchase a copy of the book *Nail It then Scale It*, by Nathan Furr and Paul Ahlstrom. The book is available on [Amazon](#) and we will be using it throughout the course. It is a very practical guide that relies heavily on the lean startup framework you are familiar with from ECON 325.

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We also recommend, but do not require, *Business Model Generation*, by Osterwalder & Pigneur, also available on [Amazon](#). We think it is a useful guide to how the business model canvas works effectively as a tool for entrepreneurs and provides many examples of business models of existing businesses. Another useful resource is *The Startup Owner's Manual*, by Steve Blank and Bob Dorf. It is a bit more dense and detailed but is great information and goes through a step-by-step process for new ideas with a particular emphasis on customer development.

Grading

Your grade in the class is heavily dependent on your active participation in the process of exploring your idea using the tools of Lean Startup. Your attendance in class is critical, and your absence will be factored into your participation grade. The most significant element of your grade will be the final pitch, which will be a 15-minute presentation of your business idea, similar to pitching to a potential investor or presenting to an incubator or accelerator.

- 20% Class Participation – attendance and our subjective assessment of your level of involvement in the classroom as evidenced by classroom discussion, asking questions, etc. We will take attendance on a regular basis which will comprise a portion of your class participation grade.
- 30% Assignments – there will be a number of group and individual assignments and deliverables throughout the term. Assignment that need to be turned in will appear on the Sakai site. We will try to have them up at least a week before the due date.
- 40% Final project. Similar to what we did in ECON 325, the project grade will be composed of two elements, your in class pitch and the pitch deck/slides. The grade in this course will be weighted more toward the in class presentation as we will have time to do actual pitches rather than videos. We will provide further guidance and more explicit criteria later in the course.
 - 30% of your final grade will be based on your in class presentation.
 - 10% of your final grade will be for your final pitch deck.
- 10% Peer feedback – this really does matter. We expect, and you should all expect of one another, dedication to your team and the project. The shared learning aspect of this is perhaps the most important part of the class. We will provide a peer feedback mechanism late in the semester to be completed after your final presentation.

UNC Honor Code

It is expected that you will conduct yourself within the guidelines of the University honor system (<http://honor.unc.edu>). The course is largely based on team activities and assignments and collaboration among team members is required and expected. Any assignment labeled as an “individual” assignment will require you to submit work that is not done in collaboration with your team. All academic work should be done with the high levels of honesty and integrity that this University demands. If you have any questions about your responsibility or your instructor’s responsibility as a faculty member under the Honor Code, please see me.

Syllabus Changes

We reserve the right to make changes to the syllabus, including project and assignment due dates. We will have a number of outside speakers, and we will need to be flexible. The nature of a highly interactive course such as this also requires flexibility. Any changes will be announced as early as possible.

Course Outline

Class	Date	Topic	Assignment
1	1/12	Introduction to Business Venturing: What is innovation?	Read: <i>The Dilemmas of Innovation: A Summary</i> , Clayton Christensen <i>Introduction: Why Good Companies Fail to Thrive in Fast-Moving Industries</i> , Clayton Christensen Assignment: Study questions sent via Sakai message
2	1/14	Ideation: What problem are you solving?	Each student should have at least one problem/idea they would like to share with the class (see assignment for Day 2 at end of syllabus and on Sakai). Assignment Due: Submit your initial idea via Sakai prior to class. We will vote on the ideas and select 5 or 6 (depending on final class enrollment) to pursue and develop as projects for the semester

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3	1/19	Teams: What makes a successful team?	<p>Read:</p> <p><i>The Discipline of Teams</i>, Katzenbach and Smith, HBR (in course pack)</p> <p>Case: Simplex Solutions (coursepack)</p> <p>Assignment Due: Answer case study questions, to be submitted via Sakai prior to class.</p>
4	1/21	Team formation and Brainstorming	You will select teams and begin initial brainstorming on the problem you propose to solve
5	1/26	Review: Lean and the Business Model Canvas; overview of NC Idea framework	<p>Read:</p> <p>Chapters 1 and 2 of <i>Nail It Then Scale It</i> (hereafter referred to as <i>NISI</i>)</p> <p>Steve Blank, "Why Lean Startup Changes Everything" (posted to Sakai.)</p> <p>NC Idea Grant Questionnaire, (posted to Sakai)</p>
6	1/28	Business Model Canvas 1.0	Fill in what you <i>think</i> you know about your business model in each box of the Canvas; present to class
7	2/2	Value Proposition	<p>Case: Air BnB</p> <p>Assignment: see case study questions</p>
8	2/4	Value Proposition: what problem are you solving?	<p>Value Proposition exercises and in class presentations</p> <p>Guest Speaker: Adam O'Donnell, Buzz Report</p>

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9	2/9	Customer Segments: love them or hate them, you have to have them!	<p>Developing the Customer Archetype and Empathy Map</p> <p>Prior to class: begin to think about WHO has your problem.</p> <p>Read: <i>NISI</i>, Chapter 3: Nail It Then Scale It - Fundamentals and Phase 1: Nailing the Customer Pain</p>
10	2/11	What is strategy?	<p>Read: <i>What is Strategy?</i>, Michael Porter</p> <p>Assignment: see case study questions</p> <p>Assignment Due: Tell us your Monetizable Pain Statement (NISI, Phase 1, Step 1)</p>
11	2/16	Customers: CAC and LTV	<p>Understanding Customer Acquisition Cost and Lifetime Value of a Customer</p> <p>Guest Speaker: Heidi Lanford, CEO, Go To Market Analytics</p> <p>Assignment Due: Tell us your Big Idea Hypothesis (NISI, Phase 1, Step 2)</p>
12	2/18	Resources for Business Research: Defining the market opportunity and evaluating competition	<p>Guest Speaker: Josiah Drewry, UNC Libraries</p> <p>In class work time for research on your idea</p> <p>Assignment Due: Tell us what you learned from quick tests of your Pain Statement/Big Idea Hypothesis (NISI, Phase 1, Step 3)</p>
13	2/23	Evaluating competitors and competitive positioning	<p>SWOT, Five Forces, other ways to think about your competition</p>

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			Assignment: Competitive analysis of your idea/hypothesis
14	2/25	Develop the MVP/Prototype: demonstrating your solution	Deliver your first MVP to the class
15	3/1	Innovating in Established Markets: Utz Quality Foods	Guest Speaker: Dylan Lissette, CEO, Utz Quality Foods Read: Articles posted to Sakai
16	3/3	Customer Monetization	Case: Facebook Assignment: See case questions
17	3/8	Basics of business organization and Intellectual Property for startups	Guest Speakers: Kathleen Lynch, Intellectual Property Attorney and Jeffrey Hart, Partner, Robinson Bradshaw & Hinson
18	3/10	Financial models: Fun with Spreadsheets	Pro formas and budgets for your startup
19	3/22	Entrepreneurial Accounting	Guest Speaker: (not yet confirmed)
20	3/24	Pitching and Presenting	Guest Speaker: Tim Flood, Kenan-Flagler Business School (tentative)
21	3/29	Team 2.0: Successful (and not so successful) teams: how to build effective startup teams	Matt Williamson – Windsor Circle (tentative)
22	3/31	Business Model Canvas 2.0	Update the Canvas for your idea
23	4/5	Negotiating and Valuation Basics	Read: Six Habits of Merely Effective Negotiators, by James Sebenius (coursepack) Assignment: see study questions
24	4/7	Revisiting the MVP	Present latest MVP to the class for peer feedback

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25	4/12	Workday	
26	4/14	Workday	
27	4/19	Review and Prep for Pitch Days	
28	4/21	Final Presentations	
29	4/26	Final Presentations	

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Assignments:

Class 2, January 14

Submit to Sakai and bring to class class a one-page document outlining a problem in need of a new solution. It can be 1) a project/idea/problem previously explored in ECON 325 or another course, 2) an entirely new problem/potential idea, or 3) a set of facts/problems in search of a solution (like a reverse pitch).

Answer in a concise fashion, supported by some simple research and a few facts, the following questions:

- Who has the problem?
- How many people/businesses/customers have this problem?
- Is there some existing solution to the problem? Why is it not working? What could be done differently? Or is a whole new solution needed to the problem at hand?

JENNIFER LLOYD HALSEY

EXPERIENCE

- Present **PULSAR VASCULAR** **CATHERA** **Shareholder and Strategic Advisor** **San Jose, CA**
Mountain View, CA
- Evaluate alternatives, propose strategy, secure capital, negotiate partnerships and achieve successful exits*
- Work collaboratively with entrepreneurs and investors to determine the optimal path for value creation
 - If growth capital is needed, advise the board, structure the security and target appropriate investors
 - Propose the ideal timing and process to engage in partnership discussions and manage negotiations
 - Assume operating and board roles as needed for clients and portfolio companies
- 1997 – Present **ASANTE PARTNERS** **Founder and Managing Director** **New York, NY and Menlo Park, CA**
- Healthcare investment bank focused on mergers in the medical technology and life sciences field*
- Sellside transaction leadership includes three successful exits at > 10x multiples:
Medtronic - CryoCath (\$435M), Covidien/ev3 - Chestnut (\$150M) and Stryker - Surpass (\$135M)
 - Extensive network of repeat clients and referrals among investors, board members and executives
 - FINRA Registered Securities Principal: Series 24 and 7
- 2011 - 2014 **VARIAN MEDICAL SYSTEMS** (NYSE: VAR) **Senior Vice President, Strategy and Business Development** **Palo Alto, CA**
- Led strategy, partnerships, investments and acquisitions for the \$9 billion global leader in cancer therapy, having served as an external advisor through Asante since 1999. Served three CEOs over fifteen years.*
- Broad, multi-disciplinary responsibility, reporting to the CEO and working closely with the Board
 - Negotiated our comprehensive global strategic partnership with Siemens
 - Evaluated 100+ partnerships; closed the acquisitions of Velocity Medical, Transpire and GammaBasics
 - Initiated Strategic Planning, Commitments Committee, BD Forum and Advanced Leadership Programs
- 1998 - 1999 **METRA BIOSYSTEMS** (Nasdaq: MTRA) **Vice President, Corporate Development** **Mountain View, CA**
- Served Metra, a public medical diagnostics company, as an executive officer the year prior to its sale, having advised the CEO previously as an Asante client.*
- Negotiated partnerships with six public companies before consummating sale to Quidel
 - Managed stock repurchases and tender offer
 - Led investor relations and corporate communications
- 1994 - 1996 **GOLDMAN, SACHS & CO.** **Corporate Finance, Mergers and Acquisitions** **New York, NY**
- Equity experience included IPOs, secondary offerings, private placements and investments
 - Debt experience included convertible debt offerings, overnight converts and senior debt placements
 - Strategic experience included mergers, acquisitions and joint ventures

EDUCATION

- 1990 - 1994 **THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL** **Chapel Hill, NC**
- Graduated with Highest Honors and Distinction, Political Science and Communication Studies
- Morehead Scholar, Truman Scholar, Coca-Cola National Scholar, UNC Nominee for Rhodes Scholarship*
Elected Speaker of Student Congress, Board of Directors - Carolina Student Union, The Daily Tar Heel

PERSONAL

Chair-Elect: Board of Visitors, UNC-Chapel Hill; Board of Directors, Morehead-Cain Scholarship Fund; Advisory Board, Institute for the Arts and Humanities. Support emerging artists in the visual and performing arts. Accompanist: piano, flute and percussion. Avid college basketball and sports fan. Enjoy mentoring, architecture, design, skiing, bridge, cooking, mixology, wine pairing, Scrabble and travel.

Selected Portfolio Companies and Clients; Relationships and Referral Sources

Pulsar Vascular (private) - San Jose. Robert Abrams, Chief Executive Officer
Cathera (private) - Mountain View. Aaron Berez, M.D. Chief Executive Officer
Surpass Medical (acquired by Stryker) - Tel Aviv. Ajay Wakhloo, M.D. Ph.D., Chief Executive Officer
CryoCath (acquired by Medtronic) - Montreal. Jan Keltjens, Chief Executive Officer
Chestnut Medical (acquired by ev3/COV) - Menlo Park. Aaron Berez, M.D. Chief Executive Officer
Varian Medical Systems (VAR) - Palo Alto. Served three CEOs Dick Levy, Ph.D., Tim Guertin, Dow Wilson
Velocity Medical (acquired by VAR) - Atlanta. Tim Fox, Ph.D. and Ian Crocker, M.D., Founders
Mevion Medical Systems (private) - Boston. Joe Jachinowski, CEO
Medina Medical (acquired by Medtronic) - Menlo Park. Kimberly Vogel, CEO
ACT Medical (private equity) - Gunnison, UT. Roland Christensen, Ph.D., Founder and CEO
Tamtron Corporation (acquired by IMPAC) - San Jose. Steve Tablak, Chief Executive Officer
Flex-Foot (acquired by Ossur) - Irvine. Bob Fosberg, Founder and Chief Executive Officer
Freedom Innovations (private equity) - Irvine. Maynard Carkhuff, Chief Executive Officer
IMPAC Medical (acquired by Elekta) - Sunnyvale and Stockholm. Joe Jachinowski, CEO
Southwest Diagnostic Imaging (private) - Scottsdale, AZ. Rod Owen, M.D., Chief Executive Officer
IMPATH (acquired by Genzyme) - Los Angeles. Carter Eckert, Chief Executive Officer
Epic Therapeutics (acquired by Baxter) - Norwood, MA. George Dunbar, Chief Executive Officer
VitaGen (acquired by Vital Therapies) - La Jolla. Greg Dane, Chief Executive Officer
Cypress Bioscience (CYPB) - San Diego. Jay Kranzler, Chief Executive Officer
Metra Biosystems (acquired by Quidel) - Mountain View. George Dunbar, Chief Executive Officer

Johnson & Johnson - P. Laxmin, President. Peter Stebbins, Vice President BD, Codman
Covidien (acquired by Medtronic) - Brett Wall, President Neurovascular. Earl Slee, Vice President BD
Medtronic - Chris King, Vice President, BD
Stryker - Mark Paul, President Neurovascular. Bill Roskopf, Vice President BD
Boston Scientific - Karen Prange, President Women's Health and Urology
Synecor and Synergy Life Sciences - Bill Starling, Founder and Chief Executive Officer
Meritech Capital - George Bischof, Managing Partner
Lexington Partners - C. Toms Newby, Partner
Frazier Healthcare - Patrick Heron, Partner
Morgan Stanley Ventures - Menlo Park. Melissa Daniels, Managing Director
Saints Capital - San Francisco. Terry Vance, Managing Director
Stephens Investment Management - Bart and Brad Stephens, Managing Partners; Paul Stephens
Investor AB - New York and Stockholm. Abhijeet Lele, Managing Director
Goldman Sachs - Ryan Limaye, Chuck Adams, Frank Ghali, Nick Eaton, Ben Taylor
JP Morgan - Rakesh Mehta, Managing Director and Head of Healthcare
Barclays - Elizabeth Mily, COO, Global Mergers and Acquisitions
Guggenheim Securities – Jeff Hoffman, Managing Director and Head of Healthcare
Attorneys – Mark Weeks (Cooley), Steve Tonsfeldt (O'Melveny), Peter Townshend (Perkins)

Asante Partners Clients and Portfolio Companies in Life Sciences

ACT Medical	Eclipse Surgical	Meyer Pharmaceuticals
Alsius	Élan	Modex Thérapeutiques
Arc Second	Epic Therapeutics	Multimedia Medical Systems
Atlantis Catheter	EP MedSystems	NanoGram Devices
Bio-Reference Labs	Everest Biomedical	Novoste
BioSpecifics Technologies	Flex-Foot	Omrix Biopharmaceuticals
BrainScope	Franklin Health	Pierre Fabre Dermatologie SA
Cantab Pharmaceuticals	Freedom Innovations	PrimeSource Healthcare
Caring Technologies	Genesis Pharmaceutical	PRP
C Change Surgical	GMP Companies	RTP Pharma
Cell Therapeutics	Gudme Raaschou	Sigma-Aldrich
Chestnut Medical	H. Lundbeck	Sonus Pharmaceuticals
Chromagen	Heico	Southwest Diagnostic Imaging
Collgard Biopharma	Ikonisys	SpectraCare
Copley Pharmaceuticals	IMPATH	Specialized Health Products
Creative Products	Insmed	Spectral Diagnostics
CryoCath Technologies	Integrated Surgical	Symphonix Devices
Cylex	IsoTis OrthoBiologics	Tamtron
Cypress Bioscience	LG Life Sciences	Tropix
Cypress Pharmaceutical	Medical Diagnostics	Varian Medical Systems
Darby Pharmaceuticals	Medisearch International	Vista Medical Technologies
DepoTech	Meridian Medical	VitaGen
Desmos	Metra Biosystems	Zoll Medical

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