

EMEN 5825

Business Plan Preparation

Syllabus

Fall 2008

Course Objectives:

One of the most exciting and satisfying activities in business is to start a new venture. In this course students will learn how to prepare a comprehensive strategy for launching a new business. The vehicle for achieving this is the preparation of a business plan based on an opportunity that students have selected.

Upon completion of this course students will:

- Learn what is a business plan, its elements, and how they fit together.
- Know why and when you need to write a business plan.
- Experience the difficult, but essential, process that all entrepreneurs go through when they plan their new venture.

Students will have the opportunity to apply their entire business education and experience to a very practical, hands-on project. Working in small teams, you will research the market for the product or service; prepare marketing, sales, development and operations plans; and make financial projections.

Writing a business plan requires you to ask tough questions about the nature of the business. What is the need for your product or service? What are the benefits? What is the target market and how will you penetrate it? What is your sustainable competitive advantage? How will you develop and produce the product or service? What management team is required? What are the risks of the venture and what can you do to reduce them? What are the financial implications of the plan? What resources, including funding, are required?

The most effective way to understand the entrepreneurial process is to take a hands-on approach. In this course students are expected to interact with the business community, be able to work effectively in teams, and be active participants in classroom discussions.

Strong written and oral skills greatly facilitate success in starting a new venture. Those individuals that can effectively communicate their ideas will have an advantage over those that cannot. As such, the assignments in the course center on written and oral presentations.

Approach

Concept Selection

Early in the course, each student is required to prepare a one-page description of a business concept that they would like to pursue and post it on the course website. In-class students will make a one-minute presentation of his or her concept to the class.

From the individual business concepts submitted, the instructor will choose the most promising ones based on the persuasiveness of the concept description and the viability of the venture. These are the basis for the business plans to be written in the course.

Team Selection

The instructor will then assign in-class and distance students to form a team with the student whose idea was selected. If a student has a preference to work on a particular business plan, he or she should email the instructor indicating their interest.

Business Plans

To develop a thorough understanding of business plans, we will evaluate several different examples. We will look in detail at how these plans were prepared, where they were especially effective, and how they could be improved.

Research

- Interviews: It is essential that teams talk to lots of business people. During the weeks following the selection of the concept, the team will spend much of its time testing the concept by interviewing industry experts, potential customers and users, distributors, competitors, designers, engineers, vendors, manufacturers, consultants, investors, etc. Is the problem you are solving real? Who is the target customer and how do they make decisions? What are the essential features of the product? What are the unique benefits? What is the sustainable competitive advantage? Can it be profitable? Spending hours on the Internet or in the Library does not answer these questions.
- Customer surveys: Design and conduct a survey of your target customers to determine their interest in your product or service. You should collect information and data that validates the target customer profile, confirms their willingness to purchase the product or service and on what basis. This information is essential to proving that the market is real.
- Secondary research: The team will conduct in-depth research on the market and industry, utilizing the library, internet, journals and industry associations.

Class Organization

Class sessions will generally be organized roughly as follows:

- First 1 1/4 hours: New material will be presented and assigned readings discussed.

- Next 1 1/4 hours: Class discussion on assigned material and “In the Fire” sessions. Starting in week 5, teams will be chosen randomly each week to present for 15 to 30 minutes a critical element of the business plan to the instructor, outside guests and the rest of the class. This will not be a standard PowerPoint presentation; rather you will discuss what conclusions you have made, the basis for them and what is your validation. Think of this session as a meeting with investors or a board of director’s meeting.

The subjects to be covered are: Opportunity/Need, Market Analysis, Industry Analysis, Target Market, Industry Competitive Advantage, Business Model, Marketing Plan, Operations and Development Plans, Financial Plan and Funding Plan.

A scheduled teleconference call involving all team members and instructor will be held every other week for 1 hour to discuss progress on the plan and identify potential problems.

Resources and Materials

Required Readings:

- Mullins, 2006, 2nd Ed. The New Business Road Test, FT Prentice Hall
- Downloaded from <http://leeds-faculty.colorado.edu/Moyes>
 - Lawrence and Moyes, 2007, Writing a Successful Business Plan
 - Moyes and Lawrence, Financial Projections Model

Helpful materials that can be downloaded (location will be provided in class)

- Examples of business plans
- Various tools and resources

Other resources that may be useful during the semester include:

- Steingold, The Legal Guide for Starting Running a Small Business, 7th edition, Nolo Press, 2003.
- John A. Tracy, 1989. How to Read a Financial Report, (New York: Wiley)
- Jeffrey A. Timmons, 2004. New Venture Creation, 6th Edition (Irwin)
- Instructor website: To Be Provided

Prerequisites

Students should have completed EMEN 5020 Finance & Accounting for Engineers or an equivalent. Exceptions to the prerequisites must be approved by the instructor.

Grading

There are six components used to determine student grades:

1. **Individual assignments** The course will begin with two individual assignments from all students (Week 2 resume and business concept description).
2. **Team assignments**

In the Fire Sessions: There are 8 In the Fire assignments (Weeks 5, 6, 7 10, 11, 12, 13, 14) to be completed by each team during the semester. Each team is expected to participate in at least 4 sessions. Teams will be graded on their ability to clearly articulate and defend their position, the level of understanding of the issues, and evidence provided to support their conclusions.

Written Assignments: There are 7 written assignments to be handed in by each team during the semester. Assignments will be graded on the thoroughness in which the questions raised in Writing a Successful Business Plan are addressed and the evidence provided to support the conclusions. The grade for these assignments is as follows:

- Week 5: Opportunity/Need, et al. 20 points
- Week 7: Expert Call Reports, et al. 20 points
- Week 9: Business Model 90 points
- Week 11: Marketing Plan 50 points
- Week 12: Operations Plan, et al. 20 points
- Week 13: Financial, etc, 20 points
- Week 14: Funding Plan, 20 points

3. **Final team written plan** At the end of the semester, each team will submit its final written plan for evaluation. Detailed criteria for the grade will be provided.
4. **Final team presentation** At the end of the semester, each team will present its business plan to the class. Detailed criteria for the grade will be provided.
5. **Peer evaluation** Each member of a team will evaluate the other members in the group, based on their contributions in the preparation of the business plan.
6. **Individual Participation** The instructor will evaluate the participation of each student. This evaluation will consider participation in class discussions, In the Fire sessions and teleconference meetings.

There are 1,000 points possible in the course:

Assignment	Number	Pts each	Total Pts
1. Individual Assignments	2	20	40
2. Team Assignments			
In the Fire Sessions	4	30	120
Written Assignments	7	various	240
3. Final Team Written Plan	1	350	350
4. Final Team Presentation	1	150	150
5. Peer Evaluation	1	50	50
6. Individual Participation	1	50	50
TOTAL			1,000

Final letter grades will be determined according to the following scale:

Points	Grade	Points	Grade
975	A+	775	C+
925	A	725	C
900	A-	700	C-
875	B+	675	D+
825	B	625	D
800	B-	<625	F

The average grade for the class is about 870 points.

General Course Policies

1. Written assignments are to be handed in at the beginning of the class for which they have been assigned, unless otherwise specified by the instructor. Written assignments not received will receive a grade of zero.

2. Attendance Policy: Students are required to attend or view every class. If you are unable to attend or view a class, please send an email to the instructor prior to class. Should you miss class your grade may be reduced by one letter grade.

It is particularly important that you attend or immediately view the first two classes. We decide on the concepts that become the bases for the business plans and you get a chance to know your fellow students who will become members of your team.

3. Appropriate Classroom Laptop Use: Although having a laptop in class opens up new learning possibilities for students, sometimes students utilize it in ways that are inappropriate. It is easy for your laptop to become a distraction to you and to those around you. Therefore, please refrain from instant messaging, e-mailing, surfing the Internet, playing games, writing papers, doing homework, etc. during class time. Acceptable uses include taking notes, following along with the instructor on PowerPoint, and other directed class activities, as well as working on assigned in-class activities, projects, and discussions that require laptop use.

4. The Course Website: All students must register on the web at <http://ecollegedirect.college.com> for access to eCompanion (look for the *register* link). ALL of the lectures and materials used in this course are contained on this website. Additionally, all communication associated with this course will take place via the e-mail function on the course website; students will be responsible for checking their e-mail frequently enough to be knowledgeable about the information sent by the instructor to them using this utility throughout the semester.

A Note on e-Mail Addresses: When you register on ECollege, you can set your e-mail address to be sent from the course website to any address you choose. It can be a hassle to check multiple e-mail locations on a daily / regular basis, but I recommend that you use your CU e-mail address for this purpose (e.g.

firstname.lastname@colorado.edu). If you do not know your assigned CU address, contact ITS (dial 5-HELP from any on-campus phone) and they will provide it to you. The reason I mention this is because in the past, I have sent e-mails to students with attachments of interest as the course proceeds. In some cases, where students have used their work e-mail address, the e-mail goes through but the attachment is blocked. In some rare cases, fire-walled work systems, when blocking an attachment, block the associated e-mail as well, and provide no indication to the student that anything was sent out by me and subsequently blocked. It is *your* responsibility to be cognizant of any information sent via the course website by me, so it might be useful to use either a CU or at least personal e-mail address that will not present this sort of possibility.

Additional information associated with the use of the ECollege website and accessing videos of the lectures are available on the ECollege website, under the **Course Home** section, in the Content Item labeled '**Instructions**'.

Campus Policies

The following campus policies that apply in this course:

Honor Code The purpose of the honor code at the University of Colorado at Boulder is to secure for students an environment in which all individuals have responsibility for, and are appropriately recognized for, their individual academic and personal achievements. See www.colorado.edu/academics/honorcode.

Students with Disabilities Students with disabilities who qualify for academic accommodations must provide a letter from Disability Services (DS) and discuss specific needs with the professor, preferably during the first two weeks of class. See www.colorado.edu/sacs/disabilityservices.

Religious Holiday The University of Colorado at Boulder has a legal and moral obligation to accommodate all students who must be absent from classes or miss scheduled exams in order to observe religious holidays. See www.colorado.edu/policies/fac_relig.html.

Student Behavior Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to behavioral standards may be subject to discipline. Faculty has the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions. See www.colorado.edu/policies/classbehavior.html.

Instructor Web site: To be provided.

Instructors:

Ray Wilson
Engineering Management Program
ECOT 611
Email: Ray.Wilson@colorado.edu
Office Hours – By Appointment