

Entrepreneurship and Business Planning

Course Syllabus
September 2020 – January 2021
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Teaching Faculty

Peter Kesting is currently Associate Professor at *Aarhus University*. Additionally, he is co-founder of the BlueSEQ A/S, (a market matcher for gene sequencing services), the Easy2Coach GmbH (an online sports training platform) and the Book&Smile GmbH (an online travel price comparison; exit after a successful trade sale). After his studies in Economics at the Universities of *Bayreuth* and *Hamburg* and a guest study at the *State University of New York*, Peter Kesting made his doctoral degree at the *University of Hamburg* and his Habilitation at the *HHL-Leipzig Graduate School of Management*. Throughout the year 2004, he was Visiting Fellow at *Clare Hall* in Cambridge (UK). Peter Kesting's research interests primarily concern innovation management, business model innovation, and negotiations. He is co-founder and scientific advisor of The Negotiation Challenge (TNC) and of the International Negotiation Research and Teaching Association (INTRA).

Course Objectives, Topics and Teaching Methods

Markets become increasingly dynamic. New business opportunities emerge and old disappear. History tells us that the realization of new business opportunities can be a source of tremendous success. Companies like Microsoft, Siemens or Ford all have in common that they pioneered new markets. However, market dynamics also often erodes the competitive position of established companies and forces them to adapt. Experience shows that firms are often not very good at realizing new business opportunities once they are established.

To realize a new opportunity is a completely different matter than to continue an old one. It forces a firm to act outside its established routine and confronts it with the so-called "open world" of opportunities. Outside their established routine, established firms as well as founders of new ventures have to deal with new challenges including the identification and evaluation of new and often unpreceded business opportunities, the creation of new business models, resistance, and a different quality of uncertainty and risk regarding process and outcome.

Basically, the course aims at four different points: First, it gives you an overview of the topics that every successful entrepreneur has to deal with. Second, it points out new venture creation as an attractive, but demanding career opportunity. You should learn to assess if you "are entrepreneurs," i.e. inasmuch you personally suit to deal with the

challenges of entrepreneurship. Third, the course gives a holistic integrated management perspective on business organizations, linking different fields of study, which are usually taught separately, like marketing, finance, organization, international trade, production, etc. It is therefore also relevant for students who are not interested in entrepreneurship. Fourth, in this course you can make 'your hands dirty' an experience the application of your knowledge at a concrete project. How to segment customers; how to design and price a product; how to plan a marketing campaign for a new product?

Project/Evaluation

The teaching concept of this class is grounded on the basic conviction that you learn the course topics most effectively when you deal with them in practical terms. Therefore, you will write a business plan in parallel to the lectures where you can apply the insights that you have gained in class.

Topic – you can write the business plan about any business idea that you have in mind (lectures will support your search in the beginning). This can be a real idea that you have thought about for quite a while (but never had the time to develop), a purely fictional idea that you (jointly) develop in the team, or even an idea of a third party that you further develop in class. The only precondition is that the idea is new and that no business plan exists on it.

Team – Please form **teams of 2-4 participants**. If you go above or below this number, please contact me. You are free to form your teams on your own. The reason is that at real projects (or projects that unexpectedly become real) the team composition can be critical at this early point, so I do not want to "force" you into collaboration. In specific cases, external persons can be included in your team, but these external persons cannot be graded in this course. If you intend to include an external person in your team, please also contact me in advance. To participate at the course, please register your team (names, e-mails, project title if you already have one) at the Writeboard: <http://123.writeboard.com/867cc714608ae672a/login>, password: "es" (small letters). You can also use this webpage as matchmaker to form teams.

We will discuss your business ideas in class **by the end of September** (we will split the class in order to discuss in smaller groups). This discussion is internal and basically aiming at giving you some feedback and further directions for your projects. Additionally there will be tutorials at **by the end of October** and **mid-November** where you can discuss your progress and raise questions in small groups. The **final business plan is due to the second half of November**. Please upload your documents to Wiseflow. The recommended (but not compulsory) page count of the business plan is 16-20 pages plus appendix. Please take care to start the work on the business plan early (right after you have developed the idea) to avoid stress in the examination phase (time runs faster than you expect). A selection of business plans will be discussed with a jury in the last class **by the end of November** and the best business plan of the year awarded. **Please be aware that dates might change due to the corona crisis.**

Grading will be based on your business plan plus a 20 minutes oral examination at the end of the term. In the oral examination, we will ask you to give a short (five minutes) overview of your project at the beginning. Please do not try to "sell" us the idea. Instead, the purpose of the examination is to reflect on what you did in your project from a

scientific perspective. Accordingly, we try to link elements of your business plan to the broader context of innovation and entrepreneurship. However, at top grade level all other topics of the course might also be discussed. The specific dates for the oral examinations will be announced in due course by the study admin; however, in the recent years these examinations took place in December for exchange students and in January for "full" students (please only take this as an indication and wait for the study admin before arranging vacations).

Readings

REMARK: To use the links you have to be on campus or connected with VPN. The titles are connected to the permalink and the "link to full text" to the pdf. If one doesn't work, try the other. Required:

Kubr, T. et al. (1998): Starting up: Achieving success with professional business planning (available on BlackBoard and [online](#)).

Sahlman, W. (1997): [How to Write a Great Business Plan](#), Harvard Business Review (available on CampusNet), [link to full text](#).

You can find an extended version of this article (voluntary) by 2008 [available in the library](#). Please also notice the short video from 2017 by Sahlman at HBR: <https://hbr.org/video/5399060076001/the-explainer-how-to-write-a-great-business-plan>.

Additional:

Barringer, B. R. & Ireland, R. D. (2019, earlier edition is also OK): Entrepreneurship: Successfully Launching New Ventures, Boston: Pearson ([only available in the library](#)).

Kesting, P. & Günzel-Jensen, F. (2015): [SMEs and new ventures need business model sophistication](#), Business Horizons, 58(3): 285-293, [link to full text](#).

Kawasaki, G. (2001): [The Top Ten Lies of Entrepreneurs](#), Harvard Business Review 79(8): 22-23, [link to full text](#).

Anthony, S.D. (2013): Business Plans and Other Works of Fiction, [HBR online article](#).

Elsback, K.D. (2003): [How to pitch a brilliant idea](#), Harvard Business Manager 81(9): 117-123, [link to full text](#)

Zider, B. (1998): [How Venture Capital Works](#), Harvard Business Review 75(6): 131-139, [link to full text](#).

Malhotra, D. (2013): [How to Negotiate with VCs](#), Harvard Business Review 91(5): 84-90, [link to full text](#).

Blank, S. (2013): [Why the Lean Start-Up Changes Everything](#), Harvard Business Review 91(5): 63-72, [link to full text](#).

Schumpeter, J.A. (1912[1934]): The Theory of Economic Development: An inquiry into profits, capital, credit, interest and the business cycle, any edition (available in the library [here](#), [here](#), and [here](#)).

TENTATIVE CLASS SCHEDULE

For class times and locations please also check the schedule

36a Introduction

Topics:	What is innovation and entrepreneurship? Terminological clarifications Discussion of practicalities
Readings:	Barringer, B. R. & Ireland, R. D.: Chapter 1 Schumpeter (1934)

36b The Opportunity

Topics:	What is a business opportunity Where to find business opportunities How to evaluate business opportunities
Exercise:	Outdoor Scene, Inc. (please read this case study in advance to the class, you find it on Blackboard)
Reading:	Barringer, B. R. & Ireland, R. D.: Chapter 2

37a Guest: Jakob Brugger (Wheelfindr)

A real-life entrepreneur is sharing his experiences with you

37b Business Models, Franziska Günzel-Jensen

Topics:	What is a business model What is the role of the business model in the venture creation process How is a business model for a start-up created
Reading:	Zott et al. 2011

38a Business Model Sophistication, Blue Oceans

Topics:	Blue Ocean strategies Business Model Sophistication
Readings:	Kesting & Günzel-Jensen (2015) Kim & Mauborgne (2005)

38b The People

Topics:	Discussion of Outdoor Scene, Inc. Are you an entrepreneur?
Exercise:	The founder, the entrepreneurial team Outdoor Scene, Inc.

Readings: BMWA-test (you do not have to prepare that in advance to the class)
Barringer, B. R. & Ireland, R. D.: Chapter 9

39a Discussion of ideas

39b Discussion of ideas

40a Pitching + Business Planning I

Topics: What is a business plan and what is it good for?
Discussion of E-Facility Monitoring Systems
Exercise: E-Facility Monitoring Systems (**please read this case study in advance to the class, you find it on Blackboard**)
Readings: Elsback (2003)
Kubr et al. (1998)
Sahlman (1997)

40b Business Planning II

Topic: How to write a great business plan
Readings: Kubr et al. (1998)
Sahlman (1997)

43a Guest: Serena Leka – Vertical innovation

43b Guest: Erik Vinkel – The Danish environment

44T TUTORIALS 1

44a Entrepreneurial Marketing, Martin Wurzer

Topics: Positioning, strategy
Selecting, developing and testing new products
Entrepreneurial pricing decisions
Readings: Barringer, B. R. & Ireland, R. D.: Chapter 11
Lodish, Morgan & Kallianpur (2001)

44b Entrepreneurial Financing

Topics: Financial needs and sources
 How to value a company
 Venture Capital
Reading: Zider (1998)

45a Market entry, lean startups, and early development, *Martin Wurzer*

45b Entrepreneurship in the U.S. beer industry, *Tünde Cserpes*

46a Effectuation, *Martin Wurzer*

46b Scaling, *Martin Wurzer*

46T TUTORIALS 2

48 Final, Guests: *Erik Vinkel, Serena Leka*

Please read the two case studies, *Outdoor Scene, Inc.* and *E-Facility Monitoring Systems*, in advance to the respective classes!