

MGT 121B: Innovation to Market (B)

Undergraduate Course, Spring 2021

LECTURER: Jeff Klaas
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OFFICE LOCATION: Rady School of Management Undergraduate Offices
OFFICE HOURS: By appointment only Mondays 4:00 – 5:00PM
TA: Prabhanjan “PJ” Didwania
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Classroom: Virtual – Zoom Meeting ID: 939 5441 3367

Join Zoom Meeting <https://ucsd.zoom.us/j/93954413367>

COURSE DESCRIPTION

Innovation to Market B is the second course of a two-course sequence that provides the student the basic skills needed to identify and transform both technical and non-technical innovation into viable ventures. The course will provide students an introduction to the strategic and operational issues of developing an innovation into a competitive and sustainable business. This is a team-based project course in which students apply management principles, technology strategies, market opportunity assessment, validation strategies, financing strategies, in the development of value propositions, business models and concepts of a potential new business or organization.

This course will focus transforming the opportunity, business concepts, used in the Innovation to Market (A) course into a solid business model, business case and a viable commercial opportunity that solves market problems and creates value. We will examine the entrepreneurial management culture and business realities for individuals and organizations driven by innovation. Strategic and operational issues of developing technology or non-technology based innovation into a competitive and sustainable business will be the core of this course.

Business models represent the key business design decisions that an enterprise makes on both the revenue and cost sides that helps it address the market opportunity in a profitable and distinctive manner. We will discuss how to evolve the business model from a cash flow and earnings perspectives. Through industry examples, case discussions and project driven learning, the participants will learn the nuances and concerns of firsthand from proven entrepreneurial leaders the practical implementation of financing, investment sources, mergers & acquisitions, operational planning, financial forecasting, key employee recruitment, business valuation, liquidity events and exit strategies.

The course will utilize lectures, case studies, key readings, individual & team projects, individual & team homework, and presentations. This quarter-length course is designed for upper division undergraduate students.

OBJECTIVES

Through a combination of business case and hands-on, project-driven participative learning, the course’s goal is to support the participants in seeking new business opportunities in a modern entrepreneurial framework.

Participants will:

- Gain understanding and insights into the overall process of idea to market to harvest
- Identify customer needs and develop value propositions
- Recognize, screen and evaluate new business opportunities
- Design and communicate business concepts/models and competitive advantage
- Project market demand, profit potential and the resources required
- Assess risks related to rewards
- Evaluate growth strategies, valuations and harvesting possibilities

- Learn about team dynamics, conflict management and group decision making
- Understand a business plan executive summary and techniques for successfully presenting it
- Understand different corporate structures, financing, exit strategies, mergers & acquisitions
- Develop deeper and critical modern team, pitch and innovation techniques

MATERIALS

REQUIRED

Course Reader

Articles carefully selected to enhance your learning about entrepreneurship. *Innovation to Market (B)* instructions on how to purchase the course reader from University Readers, see the Course Content tab on Canvas.

Articles

Students are required to read all articles assigned in the syllabus and be prepared to speak to the main concepts in class discussions.

Chapters from New Ventures Creation Textbook

New Ventures Creation 10th edition by Stephen Spinelli, Jr. and Robert Adams is the textbook for this course. The chapters used in this course are also available via eBook at <http://create.mheducation.com/shop>. Instruction on how to purchase can be found on Canvas.

Selected PDF Readings

Selected pdf reading web or URL links may be updated from time to time. Students are expected to be able to search the internet using the name of the article, author, etc. to find the article if the noted link is disabled.

Cases

We will discuss several case studies in class. Students are expected to have read the case in advance, review assigned questions related to the case, and be prepared to answer questions engage in different discussions about the case. All the cases are in the New Ventures Creation chapters or the Course Reader.

Course Guidelines and Documents

Documents are provided via Canvas to help you prepare assignments or as resources. Students are expected to reference them to help them complete their projects and assignments.

Each student is expected to have completed all readings, assignments and case preparation for each class before the class starts. Homework will be handed in prior to class. Each student should be prepared and expect to participate in classroom discussions. **For Spring 2021 semester this specifically requires virtual participation via Zoom during class lecture time.**

CLASSROOM PROCEDURE

The course meets 10 times for 2 hours and 50 minutes each time, with 2 short breaks. Class sessions will begin and end on time. If you need to miss a class, please email our TA in advance. Keep in mind class participation is part of your grade. **For Spring 2021 semester recordings of the class will be made available via Zoom.**

CLASS ASSIGNMENTS

You are expected to read all assignments and prepare answers to the case preparation questions prior to class. Each individual is expected to turn in their own assignments unless they are team projects. Working collaboratively in study groups to discuss the questions prior to completing your own write-up is encouraged.

CLASS AND TEAM PARTICIPATION

Every class session will involve interaction in the form of class discussion. I expect each student to be prepared to comment in any class session. To reinforce this expectation, I will randomly (e.g. cold call) on students during the ensuing discussion, both those who raise their hand and those who do not.

Many of the sessions of this class will follow the case discussion format. I have found that the case method is one of the most effective means of sharpening your decision-making abilities – requiring you to be an active participant in the resolution of a business problem – be it the concept, the model, the market research, market risk, technical risk, etc. This allows you to apply theories, concepts and analytical devices discussed in class or in the reading materials, or from other relevant current events or news sources. The discussion forum provides you an opportunity to argue your position and to learn from others by listening to their comments and criticisms. The direction and quality of the discussion is the collective responsibility of the class, not the sole responsibility of the instructor. **For Spring 2021 semester we will do our best to adjust to our virtual chat “hand raise” with Zoom.**

EVALUATING CLASS PARTICIPATION

Class participation will be graded on your readiness, willingness and the quality of your comments and their contribution to the discussion. You are expected to be an active participant throughout the entire class and to contribute to the quality of the discussion. **This includes virtual chat “hand raise” options with Zoom.**

TEAM PROJECTS

Every student will participate in a team project. Teams will be made up of 8-10 students. You may request your team members (please submit to the TA) otherwise students will be randomly assigned to a team. **For Spring 2021 semester our TA may assign project teams for specific reasons.**

The team will be graded as a group. Each group will be responsible for interim group assignments, as well as a final presentation and Executive Summary. The formats for these are on Canvas. If your team cannot resolve a problem amongst yourselves, please meet with the TA or me. Your Team participation will be evaluated by your peers based upon a survey that will be completed by your team members at the end of the quarter.

PARTNER TEAMS

The teams will also be partnered with another team. Each set of partner teams may meet during the last 30-45 minutes of class or outside of class hours. During this time, each team will act as the other teams' Board/advisors. The goal will be to help your partner team raise another round of funding by the end of class. **In Spring 2021 we may rely more heavily on use of this time at the end of class to maximize virtual productivity.**

ATTENDANCE

You are expected to attend every class **virtually** if possible. If you are in a different time zone, not ideal for this class, please make sure you watch all Zoom recordings. You are responsible for the material covered in class whether you attend or not. Despite your best efforts you might miss a class. Please inform the TA or me if you have missed (or will miss) a class. If you miss a class you must still submit the homework, in ADVANCE of the beginning of class for any planned absences, after class for any emergencies.

COMPUTER, DEVICE, & PHONE USAGE IN CLASS

For Spring 2021, you will be allowed to use whatever devices are needed to make your educational experience and journey a productive one.

QUIZZES & EXAMINATIONS

You will be required to take a total of 4 quizzes in this class. Each quiz will contain questions about the in-class material (including guest lecturers) and readings. **In Spring 2021, due to the virtual nature of the class, we will be using a virtual digital examination tool, to ensure academic integrity.** Students are expected to create an account, sign up for time slots to take quizzes and have correct devices (laptop with compliant web browser) that meet the requirements for taking the online quiz. Please make sure to read the instructions posted on Canvas page to ensure your device meets the requirements to take a quiz (test the equipment). Note that Chromebooks/tablets

are mobile phones are likely not supported by the exam software and will more commonly only work on Google Chrome or Mozilla Firefox.

The four quizzes for the quarter are already scheduled in the system. Please schedule exam times as early as possible, as slots may not be available closer to the quiz date. Each quiz should take no more than 25 minutes and will have a total of 15 questions. Please make sure to sign up and enter the “virtual” exam room early to ensure the quiz is completed in a timely manner. Failure to complete the exam due to technical issues or any other reason will not be permitted and will receive an automatic zero.

ACADEMIC INTEGRITY

Integrity of scholarship is essential for an academic community. As a member of the Rady School, we pledge ourselves to uphold the highest ethical standards. The University expects that both faculty and students will honor this principle and in so doing protect the validity of University intellectual work. The complete UCSD Policy on Integrity of Scholarship can be viewed at: <http://senate.uscd.edu/manual/Appendices/Appendix2.pdf>

How the Honor Code applies to this course:

You are encouraged to discuss all class readings and assignments with anyone. Forming study groups to meet regularly and discuss the assignments is encouraged. However, you must complete the case and chapter assignment homework on your own. If answers are not written in your own words you will be penalized.

GRADES

Students will be evaluated based on performance on the following:

Requirement	% of Grade
Class Participation	15%
Homework	15%
Quizzes	20%
Team Project	45%
Rady Research Project	5%

PARTICIPATION IN EXPERIMENTS:

5% of your grade is based on participation in two experiments offered by the Rady School Research Participant Pool. Each experiment will take up to one hour. If new to lab participation, to register for an account and to receive additional information about upcoming lab studies, when you register, you will be assigned a unique ID – you will need to provide this ID each time you participate in a study.

Questions about lab studies can be directed to RadyClassCredit@ucsd.edu.

OFFICE HOURS

I or our class TA will be available from by appointment only. **For Spring 2021 semester this will 100% virtual.**

Please make appointments in advance by email. Appointment times are available on a first come first served basis. Appointments are for 15 minute increments of time.

All other office hours must be and will only be with the course teaching assistant.

COURSE OUTLINE

<p>Week 1, Class 1 – March 29</p> <p>Course Introduction, Course Format, Expectations, Grading, Team Projects, etc. Introduction to B Course Concepts, Implementing Entrepreneurship Concepts & Learnings Meet your MGT121B Classmates Discover Entrepreneurial Areas of Passion</p>
<p>Required Reading</p> <ul style="list-style-type: none"> - Review Syllabus. Familiarize yourself with course reader & New Venture Creation textbook - Review NVC Chapter 7, Business Plan, pg. 165 Exhibit 7.1 and pgs. 170 – 181 Table of Contents definitions - https://www.youtube.com/watch?v=1bumPyvzCyo – Arnold Schwarzenegger, <i>Know Where You Are Going</i>
<p>Assignment – To Be Handed In or Submitted Electronically Before Class</p> <ul style="list-style-type: none"> - Rady Lab Participation – <u>Each individual student</u>, register and sign up for your lab participation - Fill out “Final Project Team Interests” on Canvas - Project team rosters will be assigned and business plan development will begin during Week 2
<p>Week 2, Class 2 – April 5</p> <p>Financing Entrepreneurial Ventures, Resource Requirements Guest Lecturer – Ed Zander, Xanadu Venture Capital https://en.wikipedia.org/wiki/Edward_Zander</p>
<p>Required Reading</p> <ul style="list-style-type: none"> - Part IV, Chapter 10 (NVC) – Resource Requirements, pgs. 245-256 - Maclean Palmer Case (NVC), pgs. 217-226 - https://www.youtube.com/watch?v=3KGG7-cr-y78 - The Effective Executive Summary by Brian Johnson
<p>Assignment – To Be Handed In or Submitted Electronically Before Class</p> <ul style="list-style-type: none"> - Case Preparation Questions – <u>Each individual student</u>, answer questions 1-5 on page 217. Each student must use the format provided and submit via Canvas. Be prepared to speak to and explain your answers during class.
<p>Week 3, Class 3 – April 12 QUIZ</p> <p>Franchising, Valuations, Ownership Guest Lecturer – Dave Peterschmidt, Peterschmidt Ventures https://www.linkedin.com/in/davepeterschmidt/</p>
<p>Required Reading</p> <ul style="list-style-type: none"> - Chapter 11 (NVC) - Franchising, pgs. 257-277 - Inktomi - https://en.wikipedia.org/wiki/Inktomi - Ch 11 page 267
<p>Assignment – To Be Handed In or Submitted Electronically Before Class</p> <ul style="list-style-type: none"> - Chapter Preparation Questions - <u>Each individual student</u>, answer questions 1-3, 5,6 on page 267 and additional question. Each student must use the format provided and submit via Canvas. Be prepared to speak to and explain your answers during class - Project Team – <u>Each individual student</u>, fill out 1 page business concept Innovation Model Canvas <ul style="list-style-type: none"> o Answer all questions in detail, turn into Canvas, be prepared to discuss in class
<p>Week 4, Class 4 – April 19</p> <p>Entrepreneurial Finance – Capital Requirements, Strategies Guest Lecturer – Claire Weston, CEO Reveal Biosciences https://www.linkedin.com/in/claireweston/</p>
<p>Required Reading</p>

- Chapter 12 (NVC)- Entrepreneurial Finance, pgs. 279-287
- Reveal Biosciences - <https://xconomy.com/san-diego/2019/04/03/reveal-biosciences-gets-intels-backing-on-ai-powered-pathology/>
- Ch 12 Midwest Lighting Case, (NVC) pgs. 288-297

Assignment – To Be Handed In or Submitted Electronically Before Class

- **Case Preparation Questions** - Each individual student, answer questions 1-4 on page 288. Each student must use the format provided and submit via Canvas. Be prepared to speak to and explain your answers during class
- **Project Team** - Fill out 1 page business concept Innovation Model Canvas with final business concept selection
 - o Meet with project team, each individual reviews and discusses with project team your business concept Innovation Model Canvas. Vote on and select final project team business concept selection.
 - o Answer, modify, update all questions in detail, turn into Canvas, be prepared to discuss and review with class

Week 5, Class 5 – April 26 QUIZ

Mid-Semester Business Concept Project Team Pitch

Guest Lecturer – Garry Ridge, CEO Board Chairman WD-40 <https://www.linkedin.com/in/garryridge/>

Required Reading

- Chapter 7, A Framework to develop a Business Plan, pgs. 166-181 *Review & Reference as needed*
- Corporate Culture Architecture - <https://www.youtube.com/watch?v=RocvjvzDI38>

Assignment – To Be Handed In or Submitted Electronically Before Class

- **In class Mid-Year Business Concept Pitch**
 - o Each team will present in 2-3 slides in class, maximum 5 minutes. Upload slide presentation to Canvas and nominate a project team lead or lead(s) maximum of (2) to present in class.
 - o Class provides feedback to presenting project team during class.
- **Project Team – Check List**
 - o Ensure assignments are clear for members of your project team in creating a draft and outline of your business plan.

Week 6, Class 6 – May 3

Obtaining Venture & Growth Capital, Equity Sources, Timing, Equity Preservation

Guest Lecturer – Mick Farrell, CEO ResMed <https://www.linkedin.com/in/michaelmickfarrell/>

Required Reading

- Chapter 13 (NVC), Obtaining Venture & Growth Capital pgs. 299-318
- ResMed - <https://www.cnbc.com/video/2021/01/29/new-world-of-telemedicine-digital-health-part-of-resmeds-strategy.html>
- “How to Write the Perfect Business Plan” by Jeff Haden, Inc. July 20, 2018 <https://www.inc.com/jeff-haden/how-to-write-perfect-business-plan-a-comprehensive-guide.html>

Assignment – To Be Handed In or Submitted Electronically Before Class

- **Project Team – Each Project Team** - Create a short list of either venture capital, private equity, or alternative source investment firms you will target for your project teams financing.
 - o Answer all questions in detail, turn into Canvas, be prepared to discuss in class
- **Project Team – Each Project Team** – Submit a draft of the Executive Summary portion of the business plan
 - o Turn into Canvas, be prepared to present and discuss in class
 - o Class provides feedback to presenting project team during class

Week 7, Class 7 – May 10 QUIZ

Valuation, Deal Structure, Negotiation

Guest Lecturer – Dan Reilly, Co-Founder B2X https://www.linkedin.com/in/danieltreilly/	
Required Reading <ul style="list-style-type: none"> - Chapter 14 (NVC) pgs. 335-346 - Chapter 14 Lightwave Technology Case, pgs. 347-354 - B2X - https://vimeo.com/386306077 	
Assignment – To Be Handed In or Submitted Electronically Before Class <ul style="list-style-type: none"> - Chapter Preparation Questions - <u>Each individual student</u>, answer questions 1-4 on page 267. Use the format provided and submit via Canvas. Be prepared to speak to and explain your answers during class - Project Team – Each Project Team – Submit a draft of the Financials portion of the business plan <ul style="list-style-type: none"> o Turn into Canvas, be prepared to present and discuss in class o Class provides feedback to presenting project team during class 	
Week 8, Class 8 – May 17	
Obtaining Debt Capital, Investment Banking, Alternative Obligation Financing	
Guest Lecturer – Amanda Cashin, Illumina Accelerator https://www.linkedin.com/in/amanda-cashin-6906871/	
Required Reading <ul style="list-style-type: none"> - Chapter 15 (NVC), pgs. 355-370 - Credit Insurance - https://www.thebalancesmb.com/trade-credit-insurance-4174271 - Illumina Accelerator - https://www.illumina.com/content/dam/illumina-marketing/documents/products/other/illumina-accelerator-faq-070-2016-024.pdf 	
Assignment – To Be Handed In or Submitted Electronically Before Class <ul style="list-style-type: none"> - Chapter Preparation Questions - <u>Each individual student</u>, answer questions 1,2,4,6,8, 10 on page 370. Use the format provided and submit via Canvas. Be prepared to speak to and explain your answers during class - Project Team – Each Project Team – Submit a draft of the section of the business plan your project team wants the most feedback on <ul style="list-style-type: none"> o Turn into Canvas, be prepared to present and discuss in class o Class provides feedback to presenting project team during class 	
Week 9, Class 9 – May 24 QUIZ	
Exit Strategies, Mergers & Acquisitions, Liquidity Events	
Guest Lecturer – Dennis Doucette, Procopio https://www.linkedin.com/in/dennisdoucette/	
Required Reading <ul style="list-style-type: none"> - Chapter 16 (NVC) pgs. 395-412 - Chapter 17, (NVC) pgs. 425-439 - M&A - https://www.nasdaq.com/articles/ma-in-2020-and-whats-ahead-for-2021-2020-12-16 	
Assignment – To Be Handed In or Submitted Electronically Before Class <ul style="list-style-type: none"> - Homework Questions - <u>Each individual student</u> - Each student must use the format provided and submit via Canvas on Mergers & Acquisitions. Be prepared to speak to and explain your answers during class. 	
Week 10, Class 10 – May 31 (UCSD Holiday – Memorial Day) Make Up Class Thursday June 3	
Finalizing Business Plan & Team Project Presentations	
Required Reading <ul style="list-style-type: none"> - “The 7 Key Components of a Perfect Elevator Pitch” http://articles.bplans.com/the-7-key-components-of-a-perfect-elevator-pitch/ - https://www.youtube.com/watch?v=OKJlmnk-gzQ 5 Rules for the Rest of Your Life, Matthew McConaughey 	

Assignment – To Be Handed In or Submitted Electronically Before Class

- **Business plans due (one per team)**
 - o Each team will turn in written business plan

Week 11, Class 11 – June 11 Final 7:00 – 10:00PM

Assignment – To Be Handed In or Submitted Electronically Before Class

- **Each team will upload business plan presentation (1 per team to Canvas)**
- **Team Presentations** (*email presentation – one per team - at least 3 hours prior to final to the TA so it will be loaded and ready before class begins*)

STUDENTS WITH DISABILITIES

A student who has a disability or special need and requires an accommodation in order to have equal access to the classroom must register with the Office for Students with Disabilities (OSD). The OSD will determine what accommodations may be made and provide the necessary documentation to present to the faculty member.

The student must present the OSD letter of certification and OSD accommodation recommendation to the appropriate faculty member in order to initiate the request for accommodation in classes, examinations, or other academic program activities. **No accommodations can be implemented retroactively.**

Please visit the [OSD website](#) for further information or contact the Office for Students with Disabilities at (858) 534-4382 or osd@ucsd.edu.

TITLE IX

The Office for the Prevention of Harassment & Discrimination (OPHD) provides assistance to students, faculty, and staff regarding reports of bias, harassment, and discrimination. OPHD is the UC San Diego Title IX office. Title IX of the Education Amendments of 1972 is the federal law that prohibits sex discrimination in educational institutions that are recipients of federal funds. Rady students have the right to an educational environment that is free from harassment and discrimination.

Students have options for reporting incidents of sexual violence and sexual harassment. Sexual violence includes sexual assault, dating violence, domestic violence, and stalking. Information about reporting options may be obtained at OPHD at (858) 534-8298, ophd@ucsd.edu or <http://ophd.ucsd.edu>. Students may receive confidential assistance at CARE at the Sexual Assault Resource Center at (858) 534-5793, sarc@ucsd.edu or <http://care.ucsd.edu> or Counseling and Psychological Services (CAPS) at (858) 534-3755 or <http://caps.ucsd.edu>.

Students may feel more comfortable discussing their particular concern with a trusted employee. This may be a Rady student affairs staff member, a department Chair, a faculty member or other University official. These individuals have an obligation to report incidents of sexual violence and sexual harassment to OPHD. This does not necessarily mean that a formal complaint will be filed.

If you find yourself in an uncomfortable situation, ask for help. The Rady School of Management is committed to upholding University policies regarding nondiscrimination, sexual violence and sexual harassment.