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 do 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.

Course Description
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 mitigate 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 communications.
Approach

Concept Selection

Early in the course, students are required to prepare a one-page description of a business concept that they would like to pursue. If a team has been formed, then you may submit one concept description for the group. From the business concepts submitted, the instructor will approve the plan candidates based on the persuasiveness of the concept description and the viability of the venture.

Team Selection

Those students whose ideas are approved will present their concept to the class and try to convince them of its brilliance. Then, it is the responsibility of the lead entrepreneur to recruit a team of four students.

To help in this process, a "Trade Fair" will be held in which the lead entrepreneur will recruit team members from his or her fellow students who have expressed interest in working on the plan. It is highly recommended that the lead entrepreneur try establish a diverse team, i.e. it should not be comprised of all marketing majors - someone with strong engineering or finance experience will greatly facilitate the team’s efforts.

Business Plans

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

Is This a Real Business?

In the early weeks of the semester you will prove the viability of the venture and set the stage for writing the business plan.

1. Face to Face Research (F2F-R). See separate document for details.
   - Step 1: Gut Check - Determine concept potential
   - Step 2: Reality Test I - Get preliminary feedback on your concept from experts
   - Step 3: Sniff Test - Determine target customer interest
   - Step 4: Reality Test II - Get feedback on the entire business venture from experts
   - Step 5: Customer Surveys


   The Leeds School Library is a great source for conducting research. You have access to a wide range of databases that provide market, industry and financial information. Please refer to Leeds School librarian Gene Hayworth’s Guideline (on my website) for conducting research. Gene is quite willing to provide assistance with your research.
3. Financial Performance

Look at comparable companies and industry financial data to develop measures of key ratios, profitability, cash flow, returns and trends. Refer to the COMPS section in the Financial Projections Model which can be downloaded from my website.

4. Based on the research you have conducted, answer the following questions. Present the results to a group of entrepreneurs and investors to prove that your concept is viable and get feedback and suggestions.

- **Market**
  - Identify potential entry points by segmenting the market. Why are they attractive?
  - What trends are driving the market? What is the size and is it growing?
  - Are there alternative target markets that should be considered now or in the future?
  - What problem is being solved?

- **Industry**
  - Identify the direct, indirect and future competitors and evaluate them. Prepare a competitive matrix.
  - What are the barriers to entry?
  - What is the nature of competition in your industry?
  - What could be your potential competitive advantages?

- **Profitability**
  - Describe the revenue model. What are the key assumptions?
  - What are the financial comps for your industry?
  - What are the potential gross margins? How determine?
  - What operating leverage will your business have?

- **Product/Service**
  - What are the important features?
  - What alternative products and/or services could you offer now or in the future?
  - How would the offerings be differentiated from the competition?
  - What are the potential benefits to the target market? Does the target market understand the benefits? Will they buy?

**Class Organization**

Class sessions will be organized roughly as follows:

- First ½ hour: New material will be presented and assigned readings discussed.
- Next 2 hours: Class discussion on assigned material. See Course Organization
- Last ½ hour: Team breakout sessions to work on specific sections of the plan.
Resources and Materials
Required Readings:
- Download from the Resources section of http://leeds-faculty.colorado.edu/Moyes
  - Lawrence and Moyes, 2008, Writing a Successful Business Plan
  - Moyes and Lawrence, Financial Projections Model
Helpful materials that can be downloaded from http://leeds-faculty.colorado.edu/Moyes
- Examples of business plans
- Various tools and resources
Other resources that may be useful during the semester include:
- John W Mullins, 2008, New Business Road Test, (FT Prentice Hall)
- Jeffrey A. Timmons, 2008. New Venture Creation, 8th Edition (Irwin)
- Course website http://leeds-faculty.colorado.edu/Moyes

Prerequisites
Students are expected to have a solid grounding in the basic business disciplines, including marketing, finance, operations, and accounting. Students with an insufficient background to successfully complete the course may be asked to withdraw at the discretion of the instructor.

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

<table>
<thead>
<tr>
<th>Points</th>
<th>Grade</th>
<th>Points</th>
<th>Grade</th>
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<tbody>
<tr>
<td>975</td>
<td>A+</td>
<td>775</td>
<td>C+</td>
</tr>
<tr>
<td>925</td>
<td>A</td>
<td>725</td>
<td>C</td>
</tr>
<tr>
<td>900</td>
<td>A-</td>
<td>700</td>
<td>C-</td>
</tr>
<tr>
<td>875</td>
<td>B+</td>
<td>675</td>
<td>D+</td>
</tr>
<tr>
<td>825</td>
<td>B</td>
<td>625</td>
<td>D</td>
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<tr>
<td>800</td>
<td>B-</td>
<td>&lt;625</td>
<td>F</td>
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</tbody>
</table>
There are 1,000 possible points in the course:

<table>
<thead>
<tr>
<th>Assignments/ Presentation (See Course Organization)</th>
<th>Potential Points</th>
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</thead>
<tbody>
<tr>
<td><strong>Face to Face Research</strong></td>
<td></td>
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<tr>
<td>F2F-R Step 1: Gut Check</td>
<td>20</td>
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<tr>
<td>F2F-R Step 2: Reality Test I</td>
<td>20</td>
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<tr>
<td>F2F-R Step 3: Sniff Test</td>
<td>20</td>
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<tr>
<td>F2F-R Step 4: Reality Test II</td>
<td>30</td>
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<tr>
<td>F2F-R Step 5: Customer Surveys</td>
<td>30</td>
</tr>
<tr>
<td><strong>In the Fire (4 sessions out of 6 at 30 points) (1)</strong></td>
<td>120</td>
</tr>
<tr>
<td><strong>Team Assignments</strong></td>
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<tr>
<td>3 Alternative Value Propositions &amp; Model Company hand-in</td>
<td>20</td>
</tr>
<tr>
<td>“Is This a Real Business?” presentation &amp; hand-in</td>
<td>70</td>
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<tr>
<td>Product/Service Description hand-in</td>
<td>20</td>
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<tr>
<td>Marketing Plan presentation &amp; hand-in</td>
<td>60</td>
</tr>
<tr>
<td>Operations Plan &amp; Development Plan presentation &amp; hand-in &amp; Prelim 5-year IS</td>
<td>20</td>
</tr>
<tr>
<td>Financial Plan hand-in</td>
<td>20</td>
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<tr>
<td>Management Plan hand-in</td>
<td>20</td>
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<tr>
<td>Final Written Business Plan (2)</td>
<td>300</td>
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<tr>
<td>Final Plan Presentation (3)</td>
<td>150</td>
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<tr>
<td><strong>Peer Evaluations (4)</strong></td>
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<tr>
<td>Interim</td>
<td>20</td>
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<tr>
<td>Final</td>
<td>40</td>
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<tr>
<td><strong>Individual Participation (5)</strong></td>
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<td></td>
<td>20</td>
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<tr>
<td><strong>Total</strong></td>
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1. **In the Fire Sessions.** Starting in week 4 we will conduct In the Fire Sessions in which teams will discuss aspects of their venture with entrepreneurs, the instructor and the rest of the class. This will not be a standard PowerPoint presentation; rather you will answer questions about your venture that would be asked by investors. There will be a total of six sessions during the semester, but each team will only be graded on four.

2. **Final team written plan.** At the end of the semester, each group will submit its final written plan for evaluation. Detailed grading criteria provided on website.
3. **Final team presentation.** At the end of the semester, each group will present its business plan to the class. Detailed grading criteria provided on website.

4. **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. This will be done twice during the semester – week 8 and week 13.

5. **Individual Participation.** The instructor will evaluate the participation of each student. This evaluation will consider attendance, participation in class discussions, In the Fire sessions and team break-out sessions.

**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 every class. If you are unable to attend 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.

**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](http://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](http://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](http://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.

Course Web site: http://leeds-faculty.colorado.edu/Moyes

Instructors:
Frank Moyes
Leeds School of Business
Office: Koelbel 440
University of Colorado at Boulder
Boulder, CO 80309-0419
Telephone: 303.492.2062
E-mail: Frank.Moyes@colorado.edu
Office Hours:
   Tues: 10:00am to 12:00noon
   Wednesday 4:00pm to 6:00pm
   And by appointment

George De riso
E-mail: geode@usa.net
Telephone: 303.929.9936
Office Hours: by appointment