GPS, UC San Diego

Syllabus

Start-Ups: From Founding to Launch
GPIM 471
Tuesdays & Thursdays 12:30 pm – 1:50 pm

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She/her
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1. Administrative Information

Office hours: Wednesdays 9:30-11:30 am

- Please sign-up here if you plan to attend
- Please indicate whether you will attend in person or on Zoom
- A Zoom link for office hours is provided on Canvas and here

If you cannot attend office hours, please email me to schedule a meeting. Please do not drop by my office for an unscheduled meeting.

. Course Materials:

- All readings are available online. We will read from the textbook “Entrepreneurial Strategy: Earning the right to follow your heart” by Joshua Gans, Erin Scott, and Scott Stern. It is freely available online by registering at https://www.entrepreneurial-strategy.net/.
    - To register, navigate to “Instructor Courseware”
- Note that you may have to be logged into UCSD wireless or VPN to access some of the readings.
- Data and information for your assignments are available online, through interviews with experts, and through the UCSD library. Please take advantage of the excellent firm and industry databases our library has.

2. Course Scope and Objectives

New businesses and organizations contribute significantly to economic growth, consumer well-being, and labor market development. Moreover, founding a new organization allows entrepreneurs to use their creativity and pursue their passions. Doing so, however, comes with significant risk as only about half of ventures founded in the US survive more than 4 years. Evidence from the proliferation of entrepreneurship training programs over the past decade has demonstrated that one way to increase the likelihood of success among entrepreneurs is by teaching them the basics of founding and launching a start-up. This course is motivated by this evidence and is designed to offer students who are considering careers in entrepreneurship, entrepreneurial financing, consulting, and innovation policy the opportunity to learn about the process of forming, developing, and launching new ventures.

By the end of this course, students should be able to:

- Understand the differences between start-up strategy and incumbent firm strategy.
- Understand how to evaluate a founding team and its structure.
- Generate and evaluate ideas for novel products and services.
- Identify sources of start-up financing, and understand the pros and cons of each financing source in the context of a given start-up.
- Understand how to compare the value of potential initial target markets for a new idea.
- Identify multiple strategies for start-ups to bring a new product or service to market, and how to evaluate these strategies in the context of a given start-up.

Topics covered include founding team formation, potential market evaluation, team and entrepreneur evaluation, new venture financing options, and new venture go-to-market strategies. The course will focus primarily on technology ventures but is intended to be useful for understanding new venture management in general. Course content is drawn from first-hand entrepreneur and start-up investor experience as well as empirical evidence on what differentiates successful entrepreneurial strategies from unsuccessful ones.

3. General Class Rules and Expectations:

Though attendance is not graded, I strongly encourage students who are able to attend class to do so.

As in all classes I expect everyone to treat everyone else with respect. This includes classmates, guest speakers, and myself. Name-calling, threats, discriminatory language (e.g. racist, sexist, or homophobic), and any kind of harassment will not be tolerated. It is critical for successful learning in this class that everyone be open-minded and tolerant of other people’s points of view. Please come and speak to me or to student services if you experience or observe a disrespectful encounter.

For short and easy-to-answer questions not answerable by the syllabus, please email me. I will not respond to emails that ask for information that is available in the syllabus. I will do my best to reply to emails within 48 hours. For questions and comments that require lengthy answers or discussion, please attend my office hours or schedule a meeting with me.

Office Hours

If you have signed up for an office hour’s slot, please arrive on time. Please attend via the mode you indicated in the sign-up sheet (in-person or over Zoom). If you signed up for an office hour slot but can no longer attend, please email me as soon as possible so that I can open the slot for someone else.

I will not be able to stay after class for questions, so please ask any questions during class time or during office hours or scheduled meetings.

Accommodations

Students requesting accommodations for this course due to a disability must have a current Authorization for Accommodation (AFA) letter issued by the Office for Students with Disabilities (OSD: http://disabilities.ucsd.edu), which is now located on the 3rd Floor of Pepper Canyon Hall. AFA letters are now provided to Faculty electronically by OSD, per student request. Requests for accommodation must be made at least two weeks in advance of the exam. Contact Nancy Gilson (ngilson@ucsd.edu) for further information.

4. Academic Integrity

As a student in this course, you are agreeing to uphold academic integrity. This includes committing to do the work assigned to you without the use of unauthorized aids and to report any suspected abuses of this principle by any of your peers. Discussion about course topics and assignments among peers is strongly encouraged. However, permission and proper documentation are required if you are referencing other people's ideas and research in your assignments. Other people's ideas and research includes class slides, any other material you receive from me or other professors, and your peers' work. You may not submit work of your own that has been submitted to another course for a grade without explicit approval from both me and the professor of that class. Proper citation of references requires both quotation marks when words are used verbatim, and exact citations to the text and page number. The ability to analyze the work of others demonstrates your understanding of the topic being addressed. Discussion or sharing of ideas of any kind during the in-class written assignment is not permitted.

The goal of this course is to ensure that you learn and that you contribute to the education of others in the course. Academic misconduct undermines these goals and will be taken very seriously.

All written assignments will be submitted through Turnitin. **If any of your assignments have one complete sentence or more copied from someone else's work and are not properly cited, I will report this to the University administration as academic misconduct.** If you are not sure how to reference outside sources please come and speak to me before your first assignment is due. Enrollment in this course signals your willingness to submit your work to Turnitin.

5. Course Assignments and Evaluation

Your course grade will be based on class participation (25%), one start-up evaluation (25%), and a final venture proposal and presentation (50%). **To facilitate a fast turnaround of grades and feedback, please submit all assignments both through Turnitin and by email to me.**

Assignments turned in within 5 hours following the deadline will be docked 15% of the grade you receive on the assignment. No assignments will be accepted more than 5 hours after the due date without an approved and documented excuse.

Class participation (25%): Active participation in class is critical for you to benefit from this course. There are three ways to receive participation points in the course. You will be able to accumulate all your participation points whether you are able to attend class or not.

1. **Speaking during class discussions:** Participation points will be given to students who ask questions, contribute to class discussions, and provide suggestions or answers to questions asked by others during class time. Comments and questions should relate to the course content and should contribute to the relevant discussions. Your participation will be graded on both the quantity and quality of your contributions. Quality is measured based on how well your comments and questions move the class discussion forward, how accurately you reference class readings, how novel your comments and questions are, and how logical your reasoning is. Attendance on its own will not contribute to your participation grade, nor will questions asked during office hours.
2. **Presenting your start-up evaluation:** You will have the opportunity to present your start-up evaluation (described below) in class. This will be an informal presentation (no slides or hand-outs), and you will have 3-5 minutes to complete it. It is an opportunity for other students to learn about your venture, and for you to tell us what you recommend the venture do. If you cannot attend class to make this presentation, you can share a video of your presentation with me and I will show it during class time. You can earn 5 percentage points towards your participation grade for this presentation.
3. **Reflection Notes:** You can receive three percentage points towards participation for writing one-page maximum reflection notes on the readings assigned for a given week. The deadline for these notes is **noon on the Tuesday of the week we will be discussing the readings** about which you have written. For instance, if you choose to write a reflection on Week 1 readings, the deadline for your reflection note is Tuesday, October 3 at noon (12 pm). You can choose to write about what you learned from the readings what you did not like about them, or what questions or puzzles they brought up and why. These notes should not be simple summaries of the readings, they need to include some actual reflection. They should be no more than a page but can be less. You can write about one particular reading or a combination of more than one. A grading guide on these notes can be found here and on Canvas. **Please email me your reflection note by the deadline.**

If you are attempting to participate but feel that I am not giving you the opportunity to do so, please let me know. It is your responsibility to let me know that you want to participate during class, I will not systematically call on students to speak during class if they have not indicated they would like to speak.

Start-Up Evaluations (25%): You will prepare an evaluation of a recently launched start-up on dimensions related to the course content during the weeks of the assignments. I will assign each student in the class to their topic and your **assignment will be due Tuesday morning by noon (12 pm) of the week we cover that topic.** For the evaluation, you will prepare a 4-page maximum description, evaluation, and recommendation of the start-up's strategy or decision on the relevant dimension.

You can choose any start-up that participated in Y-Combinator's winter or summer 2023 demo-day (https://www.ycombinator.com/companies/) and use any information you have access to including through company websites, Crunchbase, AngelList, and LinkedIn. If, for instance, you are assigned to evaluate the founding team, you should spend about a paragraph summarizing what the start-up does followed by a description of the founding team members' qualifications and experience. The remainder of your report should evaluate the upsides and downsides of the team and provide recommendations based on your points, including which skills they will need to add to the firm by hiring and whether you foresee any difficulties in their ability to make decisions.

The grading rubric for your start-up evaluations can be found here and on our course Canvas page.

Final Venture Proposal, Plan, and Presentation (50%): You will develop an idea and plan for a new start-up and prepare a 15-page maximum report detailing your proposed venture. You will pitch your start-up during a 10-minute presentation followed by a 5-minute question period during the last week of classes.[1] You may work on this assignment on your own or in a group of two. To ensure that you are on the right track, **you must submit a 1-page proposal for your venture to me by Tuesday, October 17 at noon (12 pm).** This proposal will be worth 7% of your project grade. Please meet with me before the proposal is due to discuss your ideas. I will not respond to questions about whether or not an idea is suitable for this assignment over email.

The goal of this assignment is to give you the opportunity to explore an idea or market you are interested in a low-risk environment and to give you an incentive to think seriously about the feasibility of your ideal start-up. I encourage you to be ambitious and creative with your project.

A grading guide for your final project can be found here and on our Canvas page.

[1] Note that the length of presentations is subject to change depending on the number of students in the class by the end of the quarter. Please verify the length of presentations in class slides or by speaking to me.

One report per project must be submitted to me in Word or pdf format by email and on Turnitin by Monday, December 4 by 10 p.m. In addition, you must submit one slide deck in PowerPoint or pdf format to me by email the evening before your presentation by 6 pm.

Notes on your presentation: Please make sure you rehearse your presentation so you can easily complete it within your allocated time. It is unlikely that you will have time in your presentation to cover everything you cover in your report. Please focus on what you think is most important and interesting about your report. The presentation is intended to be a pitch of your venture. By submitting your slides to me the night before your presentation, you will have a window of time during which your slides cannot be edited. Your time should instead be spent practicing what you will say. Passion, clarity, conciseness, thoughtful responses to audience questions, and interest from your audience will contribute to your grade.

6. Class Schedule

Readings for the course are included in this table. Please ensure that you have read the required readings before Tuesday's class each week. We will begin the course with an overview of the technology start-up landscape in the US and some background on entrepreneurship strategy to prepare us to dive more deeply into specific start-up topics. We will begin the remaining weeks discussing the evaluation of founders and ideas, then move to the next steps of preparing a venture for launch. This includes location decisions, securing financing, assessing markets and pricing, and product design and development. Throughout these weeks, we will have guest speakers who will discuss their personal experiences as entrepreneurs, and we will use examples and failed and successful start-ups to motivate the topics. Final project presentations will be held March 8 and 10.

Class Dates	**Topic**	**Readings**	**Notes**
September 28	Course Introduction	Course Syllabus Gans, Scott & Stern. "Entrepreneurial Strategy" 2017. • Preface & Overview Altman, Sam. "Startup Playbook." • http://playbook.samaltman.com/	
October 3 & 5	Evaluating Founders and Founding Team Structure	Paul Graham "What We Look for in Founders." 2010. • http://www.paulgraham.com/founders.html	In-class group activity on January 13

		Complete Big 5 Personality Trait Assessment (30 minutes) • https://sapa-project.org/survey/start.php Watch Kevin Hale's "How to Work Together" YC Start-Up School, 24:30-27:30. Wasserman, Noam & Hellman, Thomas. "The Very First Mistake Most Startup Founders Make." *Harvard Business Review*, February 23, 2016. Seibel, Michael "How to Split Equity Among Founders" YC Blog, 2015. • https://blog.ycombinator.com/splitting-equity-among-founders/	
October 10 & 12	Generating and Evaluating Ideas	Paul Graham "Organic Startup Ideas." 2010. • http://www.paulgraham.com/organic.html Paul Graham. "The 18 Mistakes that Kill Startups." 2006. • http://paulgraham.com/startupmistakes.html Sam Altman "Idea Generation." Sam Altman Blog, 2020. • https://blog.samaltman.com/idea-generation	Guest lecture, October 10: Takashi Kiyoizumi, life science entrepreneur and angel investor.
October 17 & 19	Generating and Evaluating Ideas, Continued	US Patent and Trademark Office. "Patent Process Overview." • Or alternative reading that you will give you a basic understanding of the circumstances under which an idea can be protected by some form of IPP. Stern, Scott & Wu, Jane. "Clover Food Labs." 2019.	Guest lecture, October 19: Eric Engelman, GPS alum and founder of Policy Studio **Venture Proposals due October 17, noon**

		• https://static1.squarespace.com/static/55c4e9aae4b05eaf17ef79ff/t/5dda998cee3ebb607add31b5/1574607245018/Clover_EStrategyCase.pdf	
October 24 & 26	What is Entrepreneurial Strategy?	Gans, Scott & Stern. "Entrepreneurial Strategy." 2017. • Chapter 2: Choice Matters • Chapter 3: These Choices Matter Camuffo et al. "A Scientific Approach to Entrepreneurial Decision Making: Evidence from an RCT." *Management Science*, 2020. • Sections 1, 2, and 8	.
October 31 & November 2	Start-Up Financing	Kauffman Foundation. "How Entrepreneurs Access Capital and Get Funded." *Entrepreneurship Policy Digest*. June, 2015. Nanada, Ramana & Rhodes-Kropf, Matthew. "Financing Entrepreneurial Experimentation." *NBER Working Paper*. June, 2015. "Sand Hill Angels: To Fund or not to Fund." *Stanford Graduate School of Business*, Case Study.	
November 7 & 9	Market Assessment & Pricing	Gans, Scott & Stern. "Entrepreneurial Strategy" 2017. • Chapter 4: Choosing Your Customer • Chapter 6: Choosing Your Identity • Chapter 7: Choosing Your Competition "Portrait of the Artist as an Entrepreneur." *The Economist*. December 17, 2011.	
November 14 & 16	Product Development & Design	Gans, Scott & Stern. "Entrepreneurial Strategy" 2017. • Chapter 5: Choosing Your Technology	Guest lecture, November 14: Sureel Sheth,

		Stringham, Edward Peter et al. "Overcoming Barriers in an Established Industry: Tesla Motors." *California Management Review*. Summer 2015. Kolko, Jon. "A Process for Empathetic Product Design." *Harvard Business Review*. April 23, 2015. Albert, JD. "The 3 Biggest Roadblocks in Product Development." *Entrepreneur*. July 24, 2014.	Principal at JMI Equity.
November 21, 28 & 30	Go To Market Strategies	Yohn, Denise Lee. "Start-Ups Need a Minimum Viable Brand." *Harvard Business Review*. June 13, 2014. Blank, Steve. "Why the Lean Start-Up Changes Everything." *Harvard Business Review*. May, 2013. Gans, Scott & Stern. "Entrepreneurial Strategy" 2017. • Chapter 9: The Intellectual Property Strategy Watch Siebel, Michael "How to Plan an MVP". YC Start-Up School, 2019.	In class group activity, March 3
December 5 & 7	Presentations		**Final Papers due December 4 by 10 pm.**