

The Ph.D. Student's Guide to the Entrepreneurial Course at DTU

Course 42705, Spring 10, Building 427 room 119

Knowledge based Entrepreneurship

12 recommendations

May 2010 – version 1.02

This is a User's Manual, which allows you to increase your benefits from participating in the DTU entrepreneurial course considerably. But you need to read it before it works!

You need to join a Group => We need to know You better

We need to know your coordinates, a little about your personality and whether you are already part of a team or looking for one. If you have a business idea already, and you plan to develop it as part of this course: please tell us. The course ID form is available at the course site, and it will be sent to you as an e-mail attachment well before deadline for submitting.

Please fill out the ID-form and return it as an e-mail attachment to <johe@man.dtu.dk>. Deadline: Friday 09 April 2010 That will allow us to establish teams before 1. lecture, and you will gain valuable time with your new group.

The ID-form is also your official and mandatory sign-up document.

Pedagogies and didactics.

This course builds on traditional university didactics: that is lectures with breaks to allow for questions and debates. In a parallel to this, groups work to generate ideas, develop business models and design plans for commercializing.

We will invite a number of guest lecturers to give us insight in current conditions for financing high-tech ventures and to learn from real-life experiences.

Their knowledge is often not available in any other than the verbal form, and they often disseminate highly valuable experiences, insight, news and disclosures that will allow you to interact efficiently and wisely with venture capital or to exercise business management in an appropriate and timely manner. Demonstrating good command of the information rendered at lectures certainly also impacts your marks at exam. So:

Recommendation #1: *don't miss the lectures if you possibly can.*

We accept you not being there, however, if you have to go to a funeral: ->

-> your own!

Statistics indicate unambiguously that marks given at exam are significantly and non-trivially correlated to participation in lectures – just to make sure that you got the message.

The Team + the Advisors

Your group is going to produce a business plan in a parallel to the lectures. We know from repeated experiences, that small groups and groups starting late run into work overload problems. Don't be the next sample, so:

Recommendation #2: **4 – 5 members is a good size.**

Try to recruit up to that.

You are probably already highly trained in group- and project work. Use your skills! Organize the group, share the work, take responsibility, appoint a helmsman, meet regularly, be accessible and practise good project management – and **DON'T QUIT once airborne**. So:

Recommendation #3: **get your team up and running from day one.** (DL: 21 April 2010)

Coaching will be available throughout the course until exam. Quality of business start-up projects clearly is very much impacted by consultants. So:

Recommendation #4: **develop a good working relationship with coaches and consultants** that you get access to via the course admin + your own network.

The Project plan

Your project typically includes two milestones and three work periods:

Kick-off: the team is formed. (No later than Wednesday, 21 April.)

1. First Work period: The quest for the business opportunity and the idea in a ping-pong with teacher(s) and potential customers. Transformation of business idea into a business model including a start-up strategy via rough estimates, quick calculations and discussions with teacher and own advisors.

First milestone: Product/service + Business model are fixed. Themes are selected.

2. Second Work Period: Research and analysis. The assumptions on pain and value creation in the market are verified, hypotheses are substantiated. The marketplace materializes.

Second milestone: The information needed to develop an action plan is available.

3. Third Work period. Business planning: from sketch to action plan, resource plan, time schedule and budget.

Termination: Go-No go decision + pitching the project at exam.

Each task takes its time. In particular: do not rush for the right idea. The first work period is usually a highly frustrating one, and groups tend to jump to the first viable idea that comes

into view. Reduce the risk of a clearly better candidate materializing after point of no return by being persistent! So:

Recommendation #5 *allow three weeks from kick-off to finalise your portfolio of ideas in order to select the most perspective and to develop a business concept. Spend another week doing customer interviews and market research, and finally use a week and a half to finalize your business plan. After that you have another three working days to prepare your presentation at exam*

Here is a tentative time schedule:

Kick-off:	Team formed.	21 April
1. milestone:	Product /business concept OK	06 May
2. milestone	Market research finalised	13 May
Project deadline:	Business plan completed	10 June 11:00 pm.

You have access to vocational guidance throughout the project period. Just ask for it.

The Business Idea

Getting the right idea is probably the most complicated part of being a successful entrepreneur. You may however prepare yourself for the challenge by introducing a few principles and filtering criteria – which we will address in the first lecture. To get you started: here they are:

1. Your professional skills must be fully exploited in the development and marketing of your product/service. This is mandatory in this course. We don't want you to spend 5 + 3 years in higher education to start a travel agency or an ethnic bakery. Your competitive strength is embedded between your ears. Use it – or loose it.
2. Look for the "pain". No pain = no gain and no company. You must identify a clear need for your product/service, You must be able to clearly explain the values that your product or service creates for your customer. At the beginning you may have to guess a lot, but later in the business planning process you need to be more specific. If you can do that, you win! And also remember to look for wealthy markets in expansion, where lots of money is spent. There you can get away with almost everything - in dire contrast to stagnant markets.
3. Last, not least: keep your business model simple and focussed. That makes your project easier to plan, easier to communicate and easier to execute. (Tony Blair: "If you cannot communicate your policy, you cannot execute it. Same goes for business start-up projects.) So:

Recommendation #6: *apply the KISS maxim (Keep It Simple Stupid) to your business model, while staying competitive on advanced knowledge, and solving real problems for real customers in a way that creates non-trivial values.* Quite simple, right?!

The Business Plan

The internet is loaded with templates, literature, samples etc. Just try the links at www.entrepreneur.dk or make a search on the internet and find yourself a suitable template that fits your specific professional domain.

The textbook for this course includes a section on business planning, designed to be used as a template, for your convenience. You may download this section in a MS-WORD format – also from the website - and start writing in it.

Recommendation #7: ***You don't need to build your own business plan from scratch. Save time by downloading a template.*** www.entrepreneur.dk offers a battle proven sample which works OK in most cases. Google provides 1.354.296 other useful samples

Economy

A budget on cash flow is mandatory. More budgets are considered an asset. We will look into that in one of the lectures. But since cash is as essential to your company as gasoline is to your car, you better get that budget right – or your car will stop in the middle of the race. So:

Recommendation #8: ***put some emphasis on establishing a credible cash flow budget.*** Some spreadsheet models are available at the course web-site.

Crash Landing is not an Option

Sometimes at the end of an analysis and planning period, it turns out, that the business venture doesn't work. By example, your start-up project is not interesting enough to attract the investors needed to get it up and flying. Do not panic! In real life, you would have to modify your business idea and/or your business model and start planning all over again. In this course you don't have the time for that. You are caught by time – so instead you explain to us why it won't fly – or you set up some fictive preconditions that make it work – and just make it clear at the end, that you had to fake those specific preconditions, so in reality this project should be abandoned.

We have given top marks to crews that concluded that their project was a journey to bankruptcy – and hence dropped it. This is just as important to conclude as the opposite - and also a more difficult conclusion to accept and present. The example emphasises, that this course is very much about applied common sense and not so much about how to make a gazillion.

Exam

The final highlight of this course is your pitch to the teacher and the censor, disguised as investors or stakeholders.

You are being evaluated on the basis of the written material (66%) and the oral presentation (33%)

To comply with “Examensbekendtgørelsen with amendments, B20060023105 (0)”, each student must – at the oral examination - draw one out of a list of specific themes – to allow us to evaluate individual performance

Themes are:

1. Demand and value creation
2. Market research & analysis
3. Budgeting and financing
4. Business law
5. Start-up strategy and business model
6. Action plan

Recommendation #9: *don't forget that at the end of the course you have to present and defend a theme, randomly drawn from the list below – but your platform is quality group performance*

Each group will give us a 15 minutes all round presentation of the project, and each member will then present one of the six themes. 10 minutes are allotted per person. Then discussions for another 15 minutes and finally evaluation for 10 minutes. Altogether exam lasts an hour and a half or more per team.

Recommendations #10: *prepare a convincing presentation of your business case and each of the six themes.* We will discuss how by the end of the course.

Also check your business plan and your presentation out with the learning objectives of this course. Here they are:

Learning Objectives, course 42705:

A student who has met the objectives of the course will be able to:

- ✓ Identify business opportunities
- ✓ Develop business ideas (Opportunity driven creativity)
- ✓ Develop business models
- ✓ Analyze markets for technological products and services
- ✓ Interview customers
- ✓ Analyze customer value creation
- ✓ Plan the establishment of a company (Business planning)
- ✓ Determine capital requirements
- ✓ Establish cash flow projection
- ✓ Establish budgets on profit/loss, assets/liabilities
- ✓ Calculate an equity investment
- ✓ Specify management competence profiles

If - after the course - you start considering in earnest if this venture is worth launching -

- once you have achieved your Ph.D degree, mind you! –

- then we – DTU teachers and admin - have achieved our goal!

Practical details

Exams deliverables: Business plan with annexes, hand outs etc. is submitted as PDF or WORD or EXCEL files – via mail-attachments, CD-ROMs or USB sticks.
No paper, please! Max. 25 normal pages. Annexes ad. lib.

Deadline for submitting your business plan is Thursday, 10 June 11:00 pm to johe@man.dtu.dk or send your CD-ROM.

Exams: Tuesday 15. June. Details on location and schedule to follow.
Exam plan will be uploaded to the course web site and broadcasted to everybody.

So don't worry you will get it – or it will get you!!

Communications

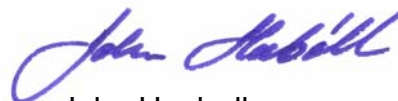
A summary of each lecture will be broadcasted to the participants the day before the lecture is held. (So check your mailbox on Tuesday afternoons)

The CampusNet will be set up with proper rights to everybody to allow chat, file sharing etc.

All materials will be uploaded to www.entrepreneur.dk and to CampusNet. So:

Recommandation #12: *check your mailbox the day before each lecture and get your stuff at www.entrepreneur.dk or the CampusNet before we start.*

Looking very much forward to seeing you in building 427, lecture room 119 on Wednesday 14 April 2010 at 13:00 hours



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