

The Student's Guide to the Entrepreneurial Course at DTU

Course 42435. Autumn 2010, Monday afternoons.

Location: Lecture room 12, Building 308

Knowledge based Entrepreneurship

12 recommendations

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This is a User's Manual, designed 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 personal ID form is made for this and available at the course site, and it will be sent to you as an e-mail attachment well before deadline for filing and mailing back..

Please fill out the ID-form and return it as an e-mail attachment to <johe@man.dtu.dk>. Deadline: **Tuesday, 31 August 2010**. That will allow us to establish teams before 2. lecture, and you will gain valuable time with your new group.

The ID-form is a mandatory sign-up document since without it you are not part of a group, and we do not have the capacity to serve individuals at this course.

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.

The single most important learning process in this course is group work. So join and engage and do your bit.

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. According to previous course evaluations, their lectures are highly appreciated by students – and you show them your recognition of their efforts by being there. 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 ***the grade that you achieve at exam is significantly and non-trivially correlated to your participation in lectures*** – just to make sure that you got the point.

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 example, 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 exercise good project management – and **DON'T QUIT once airborne**.
So:

Recommendation #3: **Get your team up and running from day one.** (DL: Monday 6 September 2010)

Individual student ambition levels vary. The course is mandatory to some and elective to others. Usually the latter have high expectations, while some of those who have to sign up, are a bit alienated. Non-aligned individual ambition levels in a group can really pester group work. So adjust your levels at project kick-off and consider it an agreement amongst you.

Recommendation #4: **Set the group ambition level at project kick-off.**

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

Recommendation #5: **Develop a good working relation with assistant teachers** Assistant teacher coordinates will appear on www.entrepreneur.dk and in broadcasts

The Project plan

Your project typically includes two milestones and three work periods:

Kick-off: the team is formed. (No later than Monday 6. September.)

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 a business idea into a business model including a start-up strategy via rough estimates, quick calculations and discussions with teacher(s) and mentors/advisors in your own network.

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

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 data incl. customer feed-back, needed to finalize your business model and develop your business plan has been collected and is ready for analysis.

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

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

Each task takes its time. In particular: do not rush for the final idea. The first work period is usually a highly frustrating one, and desperate groups tend to jump to the first viable idea that comes into view. Reduce the risk of missing a clearly better candidate by being persistent! So:

Recommendation #6 allow three weeks from kick-off to finalise your portfolio of ideas in order to select the most perspective and to develop a business model. Spend another two weeks doing customer interviews and market research, and finally use two or three weeks to finalize your business plan. After that you have another two working days to prepare your presentation at exam

Here is a tentative time schedule:

Kick-off:	Team fully operational.	Week 36	10 September
1. milestone:	Product /business concept OK	Week 40	8 October
2. milestone	Market research finalised	Week 43	29 October
Project deadline:	Business plan completed	Week 48	3 December

Deadline for submitting your business plan: 10 December 2010 bf. 12.00 am.

Exams: 15, 16, and 17 December 2010 from 08 am.

The Business Idea

Getting the right idea is probably the most complicated part of being a successful entrepreneur. At 2. lecture. we will address some methods and principles that can help you enhance your commercial creativity. To get you started before that, however: here are the essentials:

1. Your professional skills should be exploited in the development and marketing of your product/service. We don't like to see you spending 5 years in higher education to start a travel agency or an ethnic restaurant. Your competitive strength is embedded between your ears. Use it – or loose it. As a first-timer, You cannot compete with skilled and seasoned entrepreneurs outside your own field of expertise anyway.
2. Look for the “pain”. No pain = no gain = 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 and expanding

markets, where lots of money is spent. There you can get away with almost everything - in a dire contrast to stagnant markets.

3. 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. Same goes for business start-up projects.) So:

Recommendation #7: *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 #8: *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 project will die in the sand like your car will stop in the middle of the race. So:

Recommendation #9: *put some efforts into establishing a credible cash flow budget.* Some spreadsheet models are available at the course web-site, and we have a full lecture on that coming up.

Crash Landing is NOT an Option

Sometimes at the end of an analysis, it turns out, that the business venture doesn't work. By example, your start-up project is not interesting enough to attract the capital that you need to get it up and flying, so the venture is simply not viable. 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 cached by time – so instead you explain to us why it won't fly – or you set up some made up pre-

conditions that make it work – and just make it clear in your business plan, 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 a conclusion 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 demonstrating profitability.

Examination

Examination at 42435 is a main component in the course didactics. We want you to train and test your skills in presenting a complex commercialisation project. Examination is however, also a control that you cached the important points and skills of this course.

Examination complies with “Eksamensbekendtgørelsen, B20060023105”. The relevant and updated parts of this are available at the course web site (in Danish).

Language at exams – written and spoken - is either Danish or English – at your own choice.

The examination starts by the team introducing (pitching) the business plan. This 10 minutes session allows censor and examiner to be updated and sharp on your specific project. (It is usually one amongst a flock of 20 – 25 BPs, so we really need this session)

Then all students leave the room to enter again, one by one for a 5 minutes individual oral presentation of a specific theme (see below) followed by a short individual discussion.

After the last individual examination, individual marks are given.

Altogether examination lasts up to an hour per team.

For the individual examination, each student draws a theme randomly picked from the following list:

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 and time schedule

Recommendation #10: *don't forget that at the end of the course you have to individually present and defend a theme, randomly drawn from the list below – but your platform is quality group performance*

Recommendations #11: *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 42435

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 graduated, 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. **20 normal pages, no more than 6.500 words** Annexes ad. lib.

Deadline for submitting your business plan is Friday, 10 December 12:00 noon to johe@man.dtu.dk or send your CD-ROM. Reception will be confirmed by mail.

Exams: Wednesday 15 december, Thursday 16 december and Friday 17 December from 08:00 a.m.. 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 before the lecture is held. (So check your mailbox on Friday afternoons)

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

All materials will be uploaded to the course web site and to CampusNet . So:

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



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