

DEPARTMENT OF MANAGEMENT AND QUANTITATIVE METHODS
COLLEGE OF BUSINESS ILLINOIS STATE UNIVERSITY

MQM224: Entrepreneurship I

Life's too short to build something nobody wants – Ash Maurya, Running Lean

Customers don't care about your solution. They care about their problems. –
Dave McClure, 500 Startups

The only way to win is to learn faster than anyone else – Eric Ries

You don't learn until you launch – Dan Norris, 7 Day Startup

*Some men see things as they are and say, why. I dream things that never were
and say, why not* – George Bernard Shaw

*The way to empower people is by creating an environment where they naturally
start making decisions for themselves. That's true empowerment. Leaving
space, creating trust, and having the full faith that someone else will rise to the
challenge **themselves**.* – Jason Fried, 37Signals

INTRODUCTORY STEPS TO TAKE

1. Watch <http://bit.ly/1nMP8Pa> (be patient through the commercial – it's worth it) . Also watch <http://bit.ly/16kkMBI> for some general perspective on the mindset we'll work to develop this semester.
2. Begin to develop an impactful business concept that you can make a reality in @8 weeks. How do you do this? *PLEASE* don't take the easy road – that's a lame choice. Instead, identify a problem someone has and how you can solve it. Think of what you already have that you can use. Ask questions (of anyone, *myself included*). Rather than work forward from technology or a complex strategy, work backward from the needs of the customers and build the simplest product possible. Need some inspiration? Here is a good video for that: <http://bit.ly/1SEau3S>. Not doing it for you? Here are two more: <http://bit.ly/1GKh2qe> and <http://bit.ly/1H6DryP>. And a couple more: <http://bit.ly/13H9mGr> and <http://bit.ly/1kc9IZN>. I don't want to hear “*that's not possible*” or “*I can't do this*” or “*I don't know where to start*”. It's all possible, it's very doable, and I'll help you get started if you engage.

MY PROMISE TO YOU

- I will not ask you to do anything I'm not willing to do myself. That's because *I will be a student in this class as well*. Follow along at <http://teachinglean.com/>.
- I will take you seriously and will always believe in your ability to achieve
- You will own your own experience; you drive the bus, I am just a tour guide
- If you jump in, this course will help you answer three questions about yourself:
 - “What makes me special?”; “Do I have what it takes to be an entrepreneur?”; “Do I want to be an entrepreneur?”

- You will have the opportunity to develop the following “entrepreneurial toolkit” that will allow you to successfully innovate in whatever professional life you choose to lead:
 - Entrepreneurial mindset
 - Productive thinking (the interplay of creative and critical thinking to solve a problem or take advantage of an opportunity), Self-confidence in your ideas and abilities, Idea generation / opportunity recognition & evaluation, Risk-assessment, and marshaling and leveraging resources

 - Entrepreneurial (21st Century) skill set
 - Risk-Taking: *you have the chance to set your ideas, opinions and actions free to be prone to criticism and debate. You can experiment with different ideas and different approaches and jump out of your comfort zone.*
 - Embracing failure: *you will fail in this class, many times and in many ways. You will learn to shake it off, to learn from it. You will hopefully learn to never stop failing.*
 - Collaboration: *you will not succeed by yourself, so we will create a synergy station by having open conversations*
 - Communication: *you will practice, develop and share effective, clear, persuasive written, oral, and presentation communication*
 - Curiosity: *this class, this semester and thus your experience is a mystery. You must imagine it, and should do so by asking questions.*
 - Critical thinking: *you can suspend judgment, maintain a healthy skepticism, and exercise an open mind. In other words, you'll be able to examine, interrogate, and investigate.*
 - Creative thinking: *you have choice, in what ideas and learning to pursue and how to pursue it, although it should be some combination of generating many unique ideas and then combining those ideas into the best result. You will learn best by envisioning and doing tasks you enjoy that only you could come up with*
 - Innovation: *you have the opportunity to apply your creative energy by turning your ideas into reality*

THE OPPORTUNITIES

- You engage in meaningful learning
 - You must care deeply about the issues involved in your thinking
 - You will have ample opportunity to apply learning to meaningful problems
- You provoke your imagination
 - Nothing is off limits (except of course anything considered “illegal” by the university or law enforcement communities)
 - You can explore all possibilities and develop and compare any and all solutions
 - You can understand the implications and consequences of real-world choices
- You ask *your* questions
 - Questions help construct knowledge; they point to the holes in our memory structures and are critical for indexing the information that we obtain when we develop an answer for the inquiry
 - People learn deeply when they are trying to solve problems or answer questions which they find important, intriguing, or beautiful
 - We ultimately cannot learn until the right questions are asked
- You try, you can fail, and you succeed
- You start your own business
 - I will provide you tremendous resources – you choose how to leverage them to make the most of this experience

Our task today is to find singular ways to create the new things that will make the future not just different, but better. The essential first step is to think for yourself. Only by seeing our world anew, as fresh and strange as it was to the ancients who saw it first, can we both re-create it and preserve it for the future -
Peter Thiel “Zero to One”

THE CONVERSATION

- How will we understand the nature and progress of our learning?
 - You learn at your own pace – the choice is yours because all the material is at your fingertips from day one.
 - I will confront you with real-world problems and encourage you to grapple with these issues. I invite you to enhance our learning environment by unleashing your real-world problems and questions.
 - I will ask for your expectations, communicate mine, and we will reconcile those
 - My goal is to help you examine and assess your own learning and thinking, and to help you learn more effectively, analytically, and actively.
 - We will develop authentic tasks to arouse our creativity, and challenge us to rethink our assumptions and examine our mental models of reality
 - We will create a safe environment in which we can try, fail, receive feedback, try again, and succeed!

THIS COURSE IS DESIGNED AROUND THESE COMPETENCIES

Empathy: To empathize, we:

- Observe – view users and their behavior in the context of their lives.
- Engage – interact with and interview users through both scheduled and short “intercept” encounters
- Immerse – experience what our user experiences

We understand the people for whom we are designing a solution because we have engaged with them directly. We can figure out how people think and feel by watching what people do and how they interact with their environment. Through these observations of human behavior, we uncover insights about our customers’ experiences that allow us to build innovative solutions.

Define: To define, we:

- Redefine and focus our question based on insights from the empathy phase
- Develop our point of view, which is an actionable problem statement

We can write a guiding statement that focuses on specific users, and insights and needs that we uncovered during the empathizing phase. We develop a solution-generation springboard that frames the problem, inspires people we meet to engage with us, guides our innovation efforts, and provides a focusing reference point.

Ideate: To ideate, we:

- Get obvious solutions out of our heads
- Generate volume and variety of solution options

We can generate ideas that potentially solve our problem statement. We are able to explore a wide solution space that includes a large quantity of ideas and a diversity among those ideas.

Prototype: To prototype, we:

- Turn ideas from our heads into something tangible, with a physical form
- Learn through people interacting with our solution
- Eliminate ambiguity in our solution
- Fail quickly and cheaply
- Break large problems into smaller, testable pieces

We are able to build a physical representation of one or more of our ideas with which people can interact. We can develop multiple iterations of our solution to test and refine with users.

Test: To test, we:

- Refine our prototype
- Refine our point-of-view problem statement

We are able to place our prototype(s) in the appropriate context of the user’s life. We can observe customers using our prototype and adapt our solution according to their behavior.

HERE ARE THE NITTY GRITTY SPECIFICS OF THE CLASS

- The overall goal of this course
 - Acquire skills and tools necessary to recognize an opportunity, and design and execute a business model around that opportunity that meets real customer needs.
- The final deliverable (in addition to authentic sales)
 - If you are developing a physical product, you should have (*at least*) a physical prototype
 - If you are developing a web product, you should have (*at least*) customers using it
- The learning objectives of this course:
 - Identify and evaluate potential business opportunities in the marketplace
 - Develop hypotheses and experiments for testing start-up business model elements
 - Gather primary and secondary market research to draw conclusions about hypotheses and make appropriate business model pivots
 - Communicate a new venture story effectively to others
- To effectively accomplish these objectives, you need to answer (*at least*) these questions:
 - “*Is this idea feasible?*” “*Do people want this?*” “*How much will they pay for this?*” “*What does it cost to acquire customers?*” “*What is the market size?*”

GRADING POLICIES

Grades will be calculated as follows. I will not curve or adjust grades at the end of the semester for any reason – you get the grade you earn (i.e., if you get 89,998 points, that is a B. Don’t ask me to give you two points. If you didn’t earn them, you don’t get them). I will use a straight 90/80/70/60/50 grading scheme.

Don’t worry about grades – they don’t matter in the big picture of your career:

Points

	Possible Points for Components
All In Startup	5,000
VentureBlocks Challenge	12,500
Startup Deliverables (15 x 4,000 each)	60,000
Peer Review Deliverables (15 x 1,500 each)	22,500
<i>TOTAL</i>	<i>100,000</i>

All In Startup:

We will start the semester by reading Diana Kander's engaging novel [All In Startup: Launching a New Idea When Everything Is On The Line](#) during the first two weeks. We will have discussions about lessons learned from the book.

VentureBlocks Challenge:

This is an engaging 3D experience for you to practice pre-launch entrepreneurship. You will complete missions across 8 levels of play to identify business opportunities that meet the needs of customers. In Levels 1-4, you develop empathy for customers by talking to them. In Levels 5-7, you generate customer insights that lead to business opportunities. In Level 8 will be a simulation learning summary.

In this simulation, you enter the town of Trepton and notice that Nanu ownership is exploding. You "spot a space" that is interesting, new, and has the potential to be a source of great new business opportunities. But in order to identify those opportunities, you must converse with Nanu owners (asking and listening) to better understand who they are, what their lives are like, and what their needs might be. You use what you learn during these conversations to build customer insights (what Nanu owners need and why). You are then able to identify opportunities that meet the needs you established in your customer insights. This helps you begin to understand how to develop products and services that have a fit with the market. Based on a leaderboard within the simulation, the winner gets 100% of the possible points, the 2nd and 3rd place students get 90%, the next 10 students get 80%, and the remaining students get 75%.

Through playing The VentureBlocks Challenge you will:

1. Develop a better understanding of approaching opportunity creation through the identification of customer needs.
2. Practice interviewing potential customers including:
 - a. Approaching strangers and starting a conversation.
 - b. Asking good open-ended questions to get useful and relevant information.
 - c. Identifying bad questions that would make real-world customer interviews unsuccessful.
 - d. Feeling rejection when someone does not want to engage in a conversation.
3. Improve listening and observation skills to identify the needs of potential customers and build strong customer insights.
4. Cultivate pattern recognition skills to identify potential opportunities that meet the needs of multiple customer types.
5. Distinguish between needs, customer insights, and solutions.
6. Apply learning from unsuccessful attempts to future attempts and develop an appreciation for the necessity of iteration.
7. Reflect on both successes and failures through built-in debrief questions.

Startup Deliverables:

We will have 15 deliverables this semester. As each deliverable is very different, there is no rubric. The expectation is that we understand what is expected, that we discuss clarifying questions prior to the due dates, and that we honestly try our hardest to over deliver on the task. For each deliverable, you will need to share it with me and another student in class (see *Peer Review Deliverables* below).

Peer Review Deliverables:

For 15 deliverables during the semester, we will review another student's work. So we can gain different perspectives, and grow our network, we will ask a different student each time to review our work. When reviewing another student's work, provide constructive and thoughtful feedback. Challenge their assumptions. Push back on their "evidence". Add value by pointing out possibilities they missed, by using your experience, knowledge, network or other resources to help them make progress on their journey. Be considerate and professional, but be tough and firm. What did they miss? What could they have done better? How can they improve? Share your feedback with the student and also with me.

THE COURSE STRUCTURE (subject to change by instructor)

<u>Date</u>	<u>Topics</u>	<u>Evidence</u>	<u>Assessment</u>	<u>Deliverable</u>
1/12	The Big Idea	Concept I	Concept Blurb	Concept Blurb
1/14	All In Startup			Peer-Review of Concept Blurb
1/19	All In Startup	See, Hear, Feel	Customer Interview Script	Script
1/21	All In Startup			Peer-Review of Script
1/26	Nanu Challenge	Customer Observation	Video & What/How/Why	Customer Observation Video & 1-pager Reaction
1/28	Design Thinking & Customer Discovery Debrief			Nanu Challenge 1-Pager Reaction Peer-Review Customer Observation Video & Reaction
2/2	Define	User Personas	Composite Character Profile	Profiles
2/4	Define			Peer-Review of Profiles
2/9	Define	Point-of-View	POV Madlib	Madlib
2/11	Define	Concept II	Concept Blurb II & UVP	Peer-Review of Madlib
2/16	Ideate	Business Model & Experiments I	Lean Canvas & Experiment Worksheet	Lean Canvas & Experiment Worksheet Peer-Review of Concept Blurb II and UVP

<u>Date</u>	<u>Topics</u>	<u>Evidence</u>	<u>Assessment</u>	<u>Deliverable</u>
2/18	Ideate			Peer-Review of Lean Canvas & Experiment Worksheet
3/1	Ideate	Business Model & Experiments II	Lean Canvas & Experiment Worksheet	Lean Canvas & Experiment Worksheet
3/3	Ideate			Peer-Review of Lean Canvas & Experiment Worksheet

3/8 & 3/10	SPRING BREAK	SPRING BREAK	SPRING BREAK	SPRING BREAK
3/15	Prototype	Physical Representation	Prototype I	Prototype
3/17	Prototype			Peer-Review of Prototype I
3/22	Prototype	Physical Representation	Prototype II	Prototype
3/24	Prototype			Peer-Review of Prototype II
3/29	Test	Elevator Pitch I	Elevator Pitch I	Video Pitch
3/31	Test			Peer-Review of Pitch I
4/5	Test	Customer Use Case	Transcript or Video	Transcript of Video
4/7	Test			Peer-Review of Customer Use Case

<u>Date</u>	<u>Topics</u>	<u>Evidence</u>	<u>Assessment</u>	<u>Deliverable</u>
4/12	Sell	Communicate Persuasively	Storyboard & Elevator Pitch II	Storyboard & Video Pitch
4/14	Sell	Price Effectively	Price Comparison Cost Breakdown Customer Focus Group	Peer-Review of Storyboard & Pitch II Financial Story
4/19	Sell			Peer-Review of Financial Story
4/21	Sell	Plan for Growth	Growth Plan	Growth Plan
4/26	Sell			Peer-Review of Growth Plan
4/28	Breakeven Analysis & Feasibility Study			

COURSE INFORMATION

Teacher:	Doan Winkel
Course Number & Title:	MQM 224 – Entrepreneurship I
Prerequisites:	Students must have met the prerequisites in order to remain in the class.
Credit Hours:	3 Credit Hours

DOAN'S CONTACT INFORMATION

Phone:	O (309) 438-2736	C (309) 750-5696	H (309) 808-2020
Email Address:	dwinkel@ilstu.edu		
Office Location:	SFHB 242		
Office Hours:	Tues 12:30 - 1:30 am and by appointment		

Blog: <http://www.teachinglean.com/>

Twitter: https://twitter.com/trep_ed

LinkedIn: <https://www.linkedin.com/pub/doan-winkel/17/221/741>

Facebook: <https://www.facebook.com/doan.winkel>

SUPPLIES

Purchase Diana Kander's book [All In Startup](#)

Purchase The VentureBlocks Challenge (\$14.95) through the email you will receive from the VentureBlocks team.

ILLINOIS STATE UNIVERSITY COLLEGE OF BUSINESS

ACADEMIC INTEGRITY

Students enrolled in College of Business classes are expected to maintain high standards of ethical conduct within the classroom and when completing assignments, projects, and/or exams. Plagiarism and other forms of academic dishonesty such as cheating will not be tolerated. Students are expected to provide appropriate citations for non-original writing even if the original work is paraphrased. Penalties for plagiarism and other forms of academic dishonesty may be severe.

PROFESSIONAL STANDARDS

All students in this course are expected to be familiar with the "College of Business Standards of Professional Behavior and Ethical Conduct." (refer to <http://www.cob.ilstu.edu/professionalstandards>) Please note that only bottled water may be consumed in the classroom wing of the State Farm Hall of Business and that all cell phones and other electronic devices should be turned off and stored away during classes, unless permission is otherwise granted by the instructor.

MISSION

Through our shared commitment to excellence in teaching, research, and service, we prepare students to be skilled and ethical business professionals who will make significant positive contributions to organizations, to communities, and to our larger society.

VISION

The first choice for business education in Illinois

CORE VALUES

- We value excellence in instruction and enhanced student learning. The College of Business supports the Illinois State University tradition of excellence in teaching. We attempt to provide a holistic approach to learning, relying on excellent classroom teaching but reaching beyond to provide mechanisms for students to engage faculty, industry and each other through experiential learning and individualized attention.
- We value a dedication to knowledge creation. Intellectual contributions and the intellectual discipline required of high quality scholarship are directly related to excellence in the classroom and in our service activities. Most of the efforts of the faculty will fall in the area of discipline-based scholarship as currently defined, but we also value intellectual contributions in the areas of interdisciplinary research, learning and pedagogy, and contributions to practice.
- We value a commitment to citizenship in and service to our institution, state, and nation. Our commitment to a dynamic global business environment demands that we take an active role, both as individuals and as a college of business, in the institutional and public processes related to our disciplines.
- We value a culture of shared governance. We operate in an environment of shared governance and we commit ourselves to an active role in campus shared governance processes.
- We value balanced excellence in the classroom, in research and intellectual contributions, and in service to our institution, our disciplines, and to the local, state, national and international communities.
- We value high ethical standards, as embodied in our Standards of Professional Behavior and Ethical Standards. As a community of scholars and business professionals, we strive to embody the characteristics of responsibility, honesty, trust, respect, and fairness in our professional and personal lives.

LINKING THE MISSION, VISION, CORE VALUES, STRATEGIC GOALS AND ACTION STEPS

Our mission is who we are, who we serve, and why we exist. We strive to achieve our vision. Our core values are the foundation for determining our strategic goals. Our action steps are measureable and help track progress toward our strategic goals.