COURSE DESCRIPTION

Welcome to Business Venture Analysis. While entrepreneurship takes many forms from social entrepreneurship to venture creation this course focuses on the development and launching of a venture-style business. This type of business is characterized by the commercialization of a new technology and entry into a fast-growing market. It is also characterized by an exit-oriented philosophy (e.g. sale of the company to a competitor, other member of the value chain, IPO or other form of going-public transaction), and by the use of external equity to grow the business. This external equity can take the form of angel, venture capital, or both. This class is designed to take you through the entire start-up process from opportunity recognition to launch. The main topics to be covered include: development of the business model, description of the value chain, identification of the sales cycle, building a successful capitalization model, and the importance of mentoring and directors in the development of your business. Further, it is designed to help you prepare and present your proposed venture to possible investors in the formats you are most likely to encounter (e.g. elevator pitch, written presentation, and the formal pitch).

Business Venture Analysis is designed to be experiential as you will be working with real technologies and creating a venture you would be comfortable and capable of launching. This last characteristic is crucial because this class requires you to present the proposed venture to potential investors across North America and elsewhere with the goal of securing your initial round of financing. For your presentations to be successful, you must be able to convey the sense you are committed to launching and running this venture. Failure to convey this commitment will result in a poor mark and competitive results as you will not be seen as a serious contender.

In this course, you will work in groups of four to prepare the written plan and the accompanying presentations. Students will be asked to identify if they wish to be part of a competitive team. Those selecting the competitive option will be assigned to a team with other like-minded individuals. The
goal is to have two competitive teams from the class that will go on to take the Industry Project option and represent the University of Manitoba at various competitions. The goal is to have each team appear at two competitions that best fit the type of venture proposed (e.g. a medical device team will appear at competitions sponsored by schools like Carnegie Mellon University or the 2 University of Louisville that focus on medical devices or pharma plans).

Potential competitions for 2013 are:

- Louisville (Cardinal Challenge)
- Carnegie Mellon (McGinnis)
- Manitoba (Stu Clark Venture Competition)
- Oregon (New Venture Championship)

A minimum of one of these teams will also go to the Venture Labs Investment Competition hosted by the University of Texas at Austin. There are two ways this team, or both teams, will be selected for this competition. The first option is one or both teams finish first at one of the Venture Labs feeder competitions listed above. Should one of the teams fail to win one of these feeder competitions, the Stu Clark Centre will exercise its automatic berth to Venture Labs.

**COURSE OBJECTIVES**

The objectives of this course are to develop the business model for a proposed new venture and present it to potential investors. To accomplish these objectives each group will prepare a written business plan and the presentations necessary to approach potential investors. These will set out the key areas of interest to an investor, commonly identified as the 4 M’s of Market, Management, Merchandise, and Money, in addition to strategies for both entering and exiting the market. It’s important to realize these different forms of communication complement each other and are used at different points in the contact process. The following list details the specific objectives to be covered.

1. Performing a market and competitive assessment of the proposed market. This includes developing a model of the addressable target market.

2. Identifying shortcomings in the core management team and developing a recruitment program to build the management team.

3. Developing a strategy to use product benefits and intellectual property to create an unfair merchandise advantage for the proposed venture.

4. Understanding the process involved in valuing the proposing venture and developing the necessary financial strategy to enter the market. This includes understanding the money components sought by potential investors.

5. Understanding the process and developing the necessary market entry strategy for the proposed venture.

6. Understanding the role various presentation styles play in pitching the proposed venture to potential investors and learning the necessary skills for these methods.
REFERENCES

Specific readings will be assigned by the instructor(s) in advance of each class.

Print


E-Books

An e-book consisting of articles from Harvard Business Publishing will be assembled, and a link for purchasing it online will be provided.

An e-book with four chapters from the following book will be required for this course. An Access Code for these chapters can be purchased from the Customer Service Desk at the UM BookStore.


Other Readings

Four articles will be required for this course, and they are available free of charge from the University of Manitoba Library. Detailed instructions will be provided.


Online

Garage.com

Guy Kawasaki is a well-known investor and supporter of technology-based companies. This link will provide you with his recommendations on how to prepare a plan and pitch. It also includes his “10 Lies Told by Entrepreneurs” slides and other resources you can use.

http://www.garage.com/resources/index.shtm

COURSE ASSESSMENT

Assessment Tasks

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Percentage</th>
<th>Team/Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Participation</td>
<td>20%</td>
<td>Individual</td>
</tr>
<tr>
<td>Presentations</td>
<td>40% (Total: 20% + 20%)</td>
<td>Team</td>
</tr>
<tr>
<td>Written Business Plan</td>
<td>40%</td>
<td>Team</td>
</tr>
</tbody>
</table>
Teams

Teams will be formed in the first session. Each team must work together on a course project through the whole semester.

Class Participation

Class participation grade is received through class presentations, inquiring questions, insightful comments, sharing of relevant experience, and class attendance. Quality is more important than quantity.

Course Project

The course project requires team work, and is worth 80% of a student’s final grade. It consists of two presentations during the semester and a business plan submitted to the professors via email BEFORE or AT 5pm Friday December 14, 2012. No late submissions will be accepted.

Final grades will be assigned as follows:

<table>
<thead>
<tr>
<th>Cumulative Marks</th>
<th>Grade</th>
<th>GPA</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100</td>
<td>A+</td>
<td>4.5</td>
<td>Excellent</td>
</tr>
<tr>
<td>80-89</td>
<td>A</td>
<td>4.0</td>
<td>Very Good</td>
</tr>
<tr>
<td>75-79</td>
<td>B+</td>
<td>3.5</td>
<td>Good</td>
</tr>
<tr>
<td>70-74</td>
<td>B</td>
<td>3.0</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>65-69</td>
<td>C+</td>
<td>2.5</td>
<td>Marginal</td>
</tr>
<tr>
<td>60-64</td>
<td>C</td>
<td>2.0</td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>50-59</td>
<td>D</td>
<td>1.0</td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>Below 50</td>
<td>F</td>
<td>0.0</td>
<td>Unsatisfactory</td>
</tr>
</tbody>
</table>

ACADEMIC REGULATIONS

Students are encouraged to contact Accessibility Services at 474-6213 or the instructor should special arrangements need to be made to meet course requirements. For further information please visit http://umanitoba.ca/student/saa/accessibility/

EXAM RESCHEDULING POLICY

Students are expected to write ALL exams with their classmates at the scheduled exam time. Requests for exam rescheduling must be referred to the Graduate Program Office. Please refer to Missing a Test/Exam on page 14 of the MBA Student Handbook for further information:

<table>
<thead>
<tr>
<th>Date/Instructor</th>
<th>Topic/Assignment</th>
</tr>
</thead>
</table>
| September 26     | **Introduction & Timeline**  
| (Pozios)         | Presentation and Discussion of Available Venture Ideas  
|                  | Leadership, Advisory Boards, and Governance                                                                                                   |
| October 3        | **Evaluating Venture Opportunities**  
| (Pozios)         | [Video] Jumpstarting Entrepreneurial Innovation  
|                  | Intellectual Property and Competitive Advantage                                                                                             |
| October 10       | **Business Plan Basics**  
| (Pozios)         | Pitching the Deal  
|                  | [Video] Experimentation Matters: New Opportunities for Innovation                                                                         |
| October 17       | **Overview of New Venture Finance**  
| (Wu/Pozios)      | [Video] Boom and Bust in Private Equity  
|                  | Launching: Recruiting, Partnering, Branding, and Rainmaking                                                                                |
| October 24       | **Presentations – Part 1**                                                                                                                   |
| (Pozios)         |                                                                                                                                              |
| October 31       | **Financial Forecasting**                                                                                                                   |
| (Wu)             |                                                                                                                                              |
| November 7       | **New Venture Valuation**                                                                                                                   |
| (Wu)             |                                                                                                                                              |
| November 14      | **New Venture Finance Theory**  
| (Wu)             | Financing New Ventures                                                                                                                     |
| November 21      | **Venture Capital Term Sheets**  
| (Pozios/Wu)      | [Video] Letting No Serious Crisis Go To Waste: Innovation and Entrepreneurship after the Great Recession                                     |
| November 28      | **Presentations – Part 2**                                                                                                                   |
| (Wu)             |                                                                                                                                              |
It is critical to the reputation of the I. H. Asper School of Business and of our degrees that everyone associated with our faculty behaves with the highest academic integrity. As the faculty that helps create business and government leaders, we have a special obligation to ensure that our ethical standards are beyond reproach. Any dishonesty in our academic transactions violates this trust. The University of Manitoba Graduate Calendar addresses the issue of academic dishonesty under the heading “Plagiarism and Cheating.” Specifically, acts of academic dishonesty include, but are not limited to:

- using the exact words of a published or unpublished author without quotation marks and without referencing the source of these words
- duplicating a table, graph or diagram, in whole or in part, without referencing the source
- paraphrasing the conceptual framework, research design, interpretation, or any other ideas of another person, whether written or verbal (e.g., personal communications, ideas from a verbal presentation) without referencing the source
- copying the answers of another student in any test, examination, or take-home assignment
- providing answers to another student in any test, examination, or take-home assignment
- taking any unauthorized materials into an examination or term test (crib notes)
- impersonating another student or allowing another person to impersonate oneself for the purpose of submitting academic work or writing any test or examination
- stealing or mutilating library materials
- accessing tests prior to the time and date of the sitting
- changing name or answer(s) on a test after that test has been graded and returned
- submitting the same paper or portions thereof for more than one assignment, without discussions with the instructors involved.

Many courses in the I. H. Asper School of Business require group projects. Students should be aware that group projects are subject to the same rules regarding academic dishonesty. Because of the unique nature of group projects, all group members must exercise extraordinary care to insure that the group project does not violate the policy on Academic Integrity. Should a violation occur on a group project, all group members will be held jointly accountable, no matter what their individual level of involvement in the specific violation.

Some courses, while not requiring group projects, encourage students to work together in groups (or at least do not prohibit it) before submitting individual assignments. Students are encouraged to discuss this issue as it relates to academic integrity with their instructor to avoid violating this policy.

In the I. H. Asper School of Business, all suspected cases of academic dishonesty involving a graduate student (i.e. MBA, MSc or PhD student) will be reported directly by the instructor to the Dean of the Faculty of Graduate Studies.
### Medical Absenteeism Form

**Student Identification:** (Please print clearly)

<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Middle Initial</th>
<th>U of M Student Identification Number</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Course #</th>
<th>Instructor Name</th>
</tr>
</thead>
</table>

Student’s Signature  
Date

**To be completed by the attending physician:** (after the above section is completed)  
(Please print clearly)

<table>
<thead>
<tr>
<th>Physician’s Last Name</th>
<th>Physician’s First Name</th>
<th>Middle Initial</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Street Address</th>
<th>City, Province</th>
<th>Postal Code</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Telephone Number</th>
<th>Fax Number</th>
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</table>

**To the attention of the physician:** Your evaluation of the student’s condition is being used for the purpose of determining whether or not the student has a valid reason to miss an important exam or assignment. Your professional evaluation is necessary to ensure that only valid cases are excused.

**I certify that the nature of the student’s condition is severe enough to prevent the student from taking an exam or completing an assignment. If requested, my associates or I will verify for the above named instructor/administrator that this information is accurate.**

The student’s condition will likely span the following dates:

(Indicate start date)  
until  
(Indicate end date)

Physician’s Signature  
Date

**Notes to physician:**

- Please make a note in the student/patient’s file indicating that the student has given the above named instructor/administrator permission to verify with you, your staff, or your colleagues, that the information contained on this form is correct. Thank you for your professional evaluation of this student’s condition.
- **Please attach this form to your regular office stationery that indicates the student visited your office.**

**Notes to student:**

- The use of this form is at the option of the student. However, in order to obtain an excused absence for an assignment or exam the student must obtain a doctor’s certification that the student’s condition is severe enough to prevent the student from taking the exam or completing the assignment.
- It is NOT SUFFICIENT to provide a note that only indicates the student visited the doctor’s office.

May 2009
John Pozios
Director, Marcel A. Desautels Centre for Private Enterprise and the Law
Director, L. Kerry Vickar Business Law Clinic
Robson Hall, Faculty of Law

John Pozios is the founding Director of both the Marcel A. Desautels Centre for Private Enterprise and the Law and the L. Kerry Vickar Business Law Clinic at the Faculty of Law, University of Manitoba. In addition, John is an adjunct professor at the Faculty of Graduate Studies, University of Manitoba. He teaches, writes, and supports research on a variety of topics connected to business and business law. John’s primary interests lie in the areas of corporate development, corporate governance, mergers and acquisitions, and corporate finance.

John’s experience includes advisory work at Ernst & Young Orenda Corporate Finance Inc. and Inverness Capital Corp. where he assisted clients with corporate development and capital markets transactional concerns. Client projects spanned a variety of financial and strategic matters, including acquisitions, divestitures, private placements, re-financings, management buy-outs, leveraged buy-outs, reverse takeovers, and going-private transactions. John enjoys the challenge of solving particularly complex issues that typically require the restructuring and recapitalization of a business in order to meet either corporate or shareholder goals, or both.

After commencing his professional career as a Bay Street lawyer, John left private practice to join the world of information technology in the late 1990s. He conceptualized a business model, drafted the business plan, and co-founded an Internet service provider called Zconnexx Corporation (Zconnexx). John served as President and Director of Zconnexx and Zconnexx America, Inc. and was responsible for all operations in Canada and the United States. As part of the start-up process, John raised the initial seed/venture capital ($250K), secured multiple rounds of bridge financing ($500K), and closed two rounds of equity private placements ($9MM in total) as part of a going-public transaction in March 2000. At its height, Zconnexx’s market capitalization exceeded $125MM. John remains interested in technology as Chairman of Everclear Communications Inc. which manages a small portfolio of telecom brands.

John Pozios holds a B.A. in Honors Political Science from the University of Western Ontario, a J.D. from the University of Manitoba, and an MBA from the Joseph L. Rotman School of Management, University of Toronto. The international portion of the MBA program was held at Bocconi University, School of Management in Milan, Italy and at the University of St. Gallen’s Business School in Switzerland. John has been a member of the Law Society of Upper Canada since 1997 and holds NASD Series 7 and 63 licenses.
Dr. Zhenyu Wu
Canada Research Chair in Entrepreneurship and Innovation
Associate Professor
Department of Business Administration
I.H. Asper School of Business
University of Manitoba

Dr. Zhenyu Wu holds an MA in Economics, an MBA in Finance, and a Ph.D. in Finance from the University of Calgary. He also holds the position of Canada Research Chair (CRC) in Entrepreneurship and Innovation, and is an Associate Professor (tenured) at the University of Manitoba. Before being the CRC, he held the Stu Clark Professorship in Financial Management at the I.H. Asper School of Business.

Zhenyu joined the University of Manitoba in 2011. Before that, he was an Associate professor and held the position of Centre for Strategic Financial Management Scholar of Corporate Governance at the Edwards School of Business, University of Saskatchewan. He taught courses such as New Venture Finance, Entrepreneurial Finance and Venture Capital, Small Business Finance, and New Venture Analysis at the University of Calgary, University of Saskatchewan, and University of Manitoba.

Zhenyu’s research primarily focuses on entrepreneurship, entrepreneurial finance, and corporate governance, especially the application of agency theory in these fields. He also serves on the editorial boards of Family Business Review and Asian Journal of Finance & Accounting, and is a reviewer at leading journals such as Journal of Business Venturing, Entrepreneurship Theory and Practice, European Journal of Finance, among others. Since 2006, Zhenyu has published 25 refereed articles in journals including Journal of Business Venturing, Entrepreneurship Theory and Practice, and Journal of Small Business Management, and 6 book chapters.

Zhenyu co-organized the Shanghai Conference on Finance and Entrepreneurship, and serves as one of the co-guest editors of International Journal of Managerial Finance Special Issue on Finance and Entrepreneurship. He was also one of the co-organizers of the 1st and 2nd Edwards Symposia hosted by the Edwards School of Business, University of Saskatchewan, and served on the program committees of many major conferences. He served as an invited speaker at various conferences and workshops focusing on entrepreneurship, finance, and family business.