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Business 734 International Entrepreneurship Fall 2019 DRAFT Course Outline DeGroote School of Business McMaster University

COURSE OBJECTIVE

Entrepreneurship is a heterogeneous phenomenon. It involves people with a wide range of experiences, backgrounds, and academic and practical experience. Bringing together teams of graduate students to explore the development of new ventures is one of the goals of this particular course. A secondary goal is to explore the theoretical and empirical study of entrepreneurship, entrepreneurship promotion, development, support, and life-cycle, particularly for international ventures. This will allow students to draw on current theoretical frameworks for their future entrepreneurial activities, through familiarity with what research says is most typical, effective, and characteristic for new venture development.

No single way exists to start, develop and manage a business. In this course students will be exposed to the challenges and hurdles entrepreneurs face when developing a new business. Students in this course will be presented with both the strengths and weaknesses of conventional business planning, while the course itself will focus primarily on research activities and contingency planning.

Regardless of your future plans and hopes, this class can benefit you regarding how you think and act, from an entrepreneurial perspective. The class consists of learning about risk and failure, and growing from the experience. It is about learning to forge your ideas into workable business concepts, research them, commit them to paper, and present them in a way to be tested to the demands of the market. Students must write at a top level, argue the potential of their ideas, and convince people like bankers, CEO's, CFO's, angel investors, and others that their ideas are worth being born in the marketplace.

INSTRUCTOR AND CONTACT INFORMATION

Professor **Trish Ruebottom** <u>ruebottt@mcmaster.ca</u> Office Hours: by appointment

Classes: Thursday 19:00-22:00 RJC (Ron Joyce Centre, Burlington)

COURSE ELEMENTS							
Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
Avenue:	No	Ethics:	Yes	Numeracy:	No	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	Final Exam:	No	Guest speaker(s):	Yes

COURSE DESCRIPTION

This course examines issues associated with mounting international entrepreneurial ventures and addresses such concerns as intellectual property, marketing, strategic human resources, raising capital, and starting and growing a business in that context. The course is open to students from all faculties as McMaster and provides an opportunity to develop networks for accessing varied resources for entrepreneurial ventures.

LEARNING OUTCOMES

Upon completion of this course, students will be able to do the following:

- Examine the totality of a business proposal for internal or external use, including the concept of the Contingency Business Plan,
- Understand the various complexities, challenges and issues related to entrepreneurs/intrapreneurs and business formation, including environmental characteristics of the entrepreneurial firm, and,
- Develop diagnostic skills and a conceptual framework for new business management problems through readings, discussions and case analyses.

REQUIRED COURSE MATERIALS AND READINGS

In response to student concerns regarding reducing the costs of educational material, we have streamlined required material to consist of one inexpensive but important book (available as an e-book), 7 cases that are cheaper to buy if you purchase them directly from the internet (rather than the bookstore) and relevant journal articles also available for free from our library. Information on how to order the cases is presented at the end of this syllabus.

Komisar, R. (2000). The Monk and the Riddle. Boston: Harvard Business School Press.

Kindle Price: **\$9.99** includes free international wireless delivery via *Amazon Whispernet* An addition, each student will also participate in a simulation, with a per-student cost. This will be explained in class. This replaces a course reader, otherwise costing over \$80.00.

The following cases are required (see appendix to obtain them @ approx. \$4 per case): TO BE FINALIZED

- 1. The Mark News (9B10M056)
- 2. Rwanda Backpacker
- 3. Knight the King: The founding of Nike HBS 9-810-077
- 4. Nanyang Optical: Beyond Product Design from idea to launch (AB06004)
- 5. Avid Life Ivey (w12636)
- 6. A new vision for the Stratford Festival (Ivey W17768)
- 7. Communato: A big idea for a big market. (North American Case Research Assoc, NA0315)

Required Readings (all available for free online from our library):

- Alvarez, S. A., & Barney, J. B. (2007). Discovery and Creation: Alternative Theories of Entrepreneurial Action. *Strategic Entrepreneurship Journal*, *1*, 11-26.
- Davidsson, P., & Honig, B. (2003). The Role of Social Capital Among Nascent Entrepreneurs. Journal of Business Venturing, 18(3), 301-331.
- Drori, I., Honig, B., & Wright, M. (2009). Transnational Entrepreneurship: An Emergent Field of Study. *Entrepreneruship Theory & Practice, 33*(5), 1001-1022.

- Gartner, W. B., Starr, J. A., & Bhat, S. (1998). Predicting New Venture Survival: An Analysis of "Anatomy of a Start-Up." Cases from INC. Magazine. *Journal of Business Venturing*, 14, 215-232.
- Lee, J.-S., & Hsieh, C.-J. (2010). A Research in Relating Entrepreneurship, Marketing Capability, Innovative Capability and Sustained Competitive Advantage. *Journal of Business and Economics Research*, 8(9), 109-119.
- Macmillan, I. C., Siegel, R., & Narasimha, P. S. (1985). Criteria Used by Venture Capitalists to Evaluate New Venture Proposals. *Journal of Business Venturing*, *1*, 119-128.
- Mair, J., & Marti, I. (2006). Social Entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 36-44.
- Sarasvathy, S. D. (2001). Causation and Effectuation: Toward a Theoretical shift from economic inevitability to entrepreneurial contingency. *Academy of Management Review*, 26(2), 243-263.
- Schumpeter, J. A. (1947). The Creative Response in Economic History. *The Journal of Economic History*, 7(2), 149-159.
- Spors, K. K. (2007, January 9). Enterprise: Do Start-ups really need Formal Business Plans? . *The Wall Street Journal*, p. B9.

Supplemental Readings:

- Honig, B. (1998). What Detrmines Success? Examining the human, financial and social capital of Jamaican Microentrepreneurs. *Journal of Business Venturing*, *13*(5), 371-394.
- Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. Academy of Management Review, 25(1), 217-226.
- Zahara, S. (1999). The changing rules of global competitiveness in the 21st century. The Academy of Management Executive, 13(1), 36-42.

EVALUATION

Components and Weights

Class participation (you need to show up every week!)		
Entrepreneurship Self-Assessment paper (final)		
Personal evaluation of simulation exercise (individual assignment)	10	
Team grade: Based on 7 team case write-ups	20	
Team simulation and trial activity (extra points for winning team)	10	
Team project (includes team presentation)	30	
TOTAL	100%	

Grade Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

LETTER GRADE	PERCENT
A+	90 - 100
А	85 - 89
A-	80 - 84
B+	75 - 79
В	70 - 74
B-	65 - 69
F	00 - 64

Communication and Feedback

Students that are uncomfortable in directly approaching an instructor regarding a course concern may send a confidential and anonymous email to the respective Area Chair or Associate Dean:

http://www.degroote.mcmaster.ca/curr/emailchairs.aspx

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Administrative Assistant.

Instructors should conduct an informal course review with students by Week #4 to allow time for modifications in curriculum delivery. Instructors should provide evaluation feedback for at least 10% of the final grade to students prior to Week #8 in the term.

Students who wish to have a course component re-evaluated must complete the following form:

http://www.mcmaster.ca/policy/Students-AcademicStudies/Form A.pdf

In order for the component to be re-read:

- The component must be worth 10% or more of the final grade in the course.
- Students pay a fee of \$50 in Gilmour Hall #209 (receipt is then brought to APO).
- The Area Chair will seek out an independent adjudicator to re-grade the component.
- An adjustment to the grade for the component will be made if a grade change of three points or greater on the 12point scale (equivalent to 10 marks out of 100) has been suggested by the adjudicator as assigned by the Area Chair.
- If a grade change is made, the student fee will be refunded.

Team Assignments (3-4 students/team)

- **Case Write-ups:** There are 7 case studies. Each team will prepare a 1-2 page case summary, double spaced, 12 point type. The case should be analyzed from the viewpoint of the questions asked either in the text or assigned in class. Any material specifically used in the write up from additional readings should be properly cited. Every team will hand in a write-up on each of the cases.
- **Simulation:** Students will compete in a simulation that will take place during the course. There will be a 10% grade associated with performance in the simulation.
- **Team Project:** The purpose of the team project is to familiarize students with important knowledge regarding how complementary experiences enhance entrepreneurial ventures, providing expanded networks, ideas, and capabilities. Students will form teams of 2-3 and each team will email me (<u>holtc@mcmaster.ca</u>) providing a list of team member names (first and last), the idea or concept they propose to study. The email will be copied to all team members so that all have a record of each other's email addresses. Students will need to develop or analyse a unique or creative concept, product, service, or niche that can be assessed through appropriate research during the course. The team project is due on the last class when each group will present their concept or analysis.

The Team Project and Presentation will consist of one of the following options:

Option #1 (this is the 'normal' option for all student teams): Form a team (max. 3) to systematically analyze and assist an intrapreneurial venture for an existing firm. You will meet with the relevant parties, examine internal (and perhaps proprietary) documentation, perform a business analysis, and write a complete business plan for that venture. The report should be approximately 20 pages long (+ appendices), and you must present your findings during the final <u>15 min. presentation.</u>

Option # 2: You may be seriously considering starting a firm. Most students will NOT be in this situation. If you are, you will need to build a team, and advance your idea in practical terms. Please plan on meeting me to confirm the acceptance of your business idea for this course. A written component of between 10 - 20 pages, total, consisting of ONLY the executive summary and company overview, ONE selected section of your choice from a typical business plan (from the list following this summary: any of numbers 3-8) and a summary or conclusions section. In general, I will be interested in learning what you DID regarding advancing your business – writing a nice plan is more or less irrelevant.

The team project will provide student groups of a maximum of three persons a chance to put into practice what they have learned in other courses to develop a short and long-term strategy and for managing the organization's financial and marketing aspects of a start-up venture. **Groups will also provide a 10-15 minute presentation during our last class.**

Students will organize teams of 3-4 students on the first day of class to assure that all the teams have ample time to accomplish the research needed to conclude on their findings for the project.

Individual Assignments

- **Personal Evaluation of the Simulation:** Each student will reflect on their experience (key lessons, etc.) of the business simulation conducted during the course (also 1-2 pages, double spaced, 12-point type).
- **Entrepreneurship Self-Assessment:** On an individual basis, each participant in the course will also develop and prepare a self assessment paper on their own strengths, abilities and shortcomings as a potential entrepreneur. You should also include a reflection of the value of the simulation exercise to your self-

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learning. This assignment is due on the last class. From a personal viewpoint, this assignment may be the single most important one for you in this class. View it as such, and put your heart and soul into it. (3 pages maximum, double spaced, 12pt font).

All assignments must be printed on paper and handed in on each due date.

ACADEMIC DISHONESTY

It is the student's responsibility to understand what constitutes academic dishonesty. Please refer to the University Senate Academic Integrity Policy at the following URL:

http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicIntegrity.pdf

This policy describes the responsibilities, procedures, and guidelines for students and faculty should a case of academic dishonesty arise. Academic dishonesty is defined as to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. Please refer to the policy for a list of examples. The policy also provides faculty with procedures to follow in cases of academic dishonesty as well as general guidelines for penalties. For further information related to the policy, please refer to the Office of Academic Integrity at:

http://www.mcmaster.ca/academicintegrity

MISSED ACADEMIC WORK

Late assignments will not be accepted. No extensions are available except under extraordinary circumstances. Please discuss any extenuating situation with your instructor at the earliest possible opportunity.

Students are expected to come to class thoroughly prepared as indicated in the course schedule. If, for some reason, this is impossible, please contact the instructor. 100% attendance is expected.

Missed Mid-Term Examinations / Tests / Class Participation

Where students miss a regularly scheduled mid-term or class participation for legitimate reasons as determined by the Student Experience – Academic (MBA) office, the weight for that test/participation will be distributed across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the Student Experience – Academic (MBA) office within five (5) working days upon returning to school.

To document absences for health related reasons, please provide to Student Experience – Academic (MBA) office the Petition for Relief for MBA Missed Term Work and the McMaster University Student Health Certificate which can be found on the DeGroote website at <u>http://mbastudent.degroote.mcmaster.ca/forms-and-applications/</u>. Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only.

University policy states that a student may submit a maximum of three (3) medical certificates per year after which the student must meet with the Director of the program.

To document absences for reasons other than health related, please provide Student Experience – Academic (MBA) office the Petition for Relief for MBA Missed Term Work and documentation supporting the reason for the absence.

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Students unable to write a mid-term at the posted exam time due to the following reasons: religious; work-related (for part-time students only); representing university at an academic or varsity athletic event; conflicts between two overlapping scheduled mid-term exams; or other extenuating circumstances, have the option of applying for special exam arrangements. Such requests must be made to the Student Experience – Academic (MBA) office at least ten (10) working days before the scheduled exam along with acceptable documentation. Instructors cannot themselves allow students to unofficially write make-up exams/tests. Adjudication of the request must be handled by Student Experience – Academic (MBA).

If a mid-term exam is missed without a valid reason, students will receive a grade of zero (0) for that component.

STUDENT ACCESSIBILITY SERVICES

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students must forward a copy of such SAS accommodation to the instructor normally, within the first three (3) weeks of classes by setting up an appointment with the instructor. If a student with a disability chooses NOT to take advantage of an SAS accommodation and chooses to sit for a regular exam, a petition for relief may not be filed after the examination is complete. The SAS website is:

http://sas.mcmaster.ca

POTENTIAL MODIFICATIONS TO THE COURSE

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

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Course Schedule Date	Topics	Agenda
WEEK 1	Introduction to the Course	Decide on Teams for Team Project and Presentation
		Teams should try to ensure heterogeneity for maximum quality. Three Week Practical Team project begins!
WEEK 2	Orientation to Simulation	Orientation to Simulation
	Simulation Begins Contingency Business Planning for New Ventures	"Sneakers Incorporated". Break-out into groups, each group will need a computer or laptop and a break-out room. There will be no formal class session on this date. Students will meet in groups of three to four and participate in a simulation activity weekly.
		This simulation will run for 9 weeks. Details to come in class but introductory videos can be viewed on-line:
		 General: <u>https://youtu.be/73AeNqTRw4o</u> Market analysis <u>https://youtu.be/EDj2VfNL5LQ</u> Ranking points & targets: <u>https://youtu.be/ds4xCv0zpZE</u> Stock management: <u>https://youtu.be/gF5cqphc2MU</u> HR policy <u>https://youtu.be/3VE-Zs55cJQ</u> R&D <u>https://youtu.be/qhLdVG620NU</u>
WEEK 3	Institutions and Creative Destruction	Discussion of Simulation Contingency planning continued
		Discussion of Case#1: The Mark News (turn in case write-up today) 9B10M056
		 What is the Schumpeterian notion of entrepreneurship? Discuss the economics of the legacy newspaper industry a. What are the challenges it faces? b. What is the threat from entrepreneurial entrants like The Mark? c. Given the challenges, do legacy newspapers have a future? If not, should we be concerned? What are the strengths and weaknesses of The Mark, and what can Anders do to grow revenue?
		Required readings: Schumpeter, J. A. (1947). The Creative Response in Economic History. <i>The Journal of Economic History</i> , 7(2), 149-159.
		Sarasvathy, S. D. (2001). Causation and Effectuation: Toward a Theoretical shift from economic inevitability to entrepreneurial contingency. <i>Academy of Management Review</i> , 26(2), 243-263.
		Supplemental reading: Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. <i>Academy of Management Review</i> , 25(1), 217- 226.

WEEK 4	Theories of Entrepreneurship, Obtaining Seed Capital and Entering New Markets	 Discussion of Simulation Discussion of 3 week business project Discussion of Case #2: Rwanda Backpacker Required readings: Alvarez, S. A., & Barney, J. B. (2007). Discovery and Creation: Alternative Theories of Entrepreneurial Action. Strategic Entrepreneurship Journal, 1, 11-26. Davidsson, P., & Honig, B. (2003). The Role of Social Capital Among Nascent Entrepreneurs. Journal of Business Venturing, 18(3), 301-331. Supplemental reading: Honig, B. (1998). What Detrmines Success? Examining the human, financial and social capital of Jamaican Microentrepreneurs. Journal of Business Venturing, 13(5), 371-394.
<u>WEEK 5</u>	What are you doing with your career? What do you want to accomplish? The Organizational Plan and International Entrepreneurship	 Discussion of Simulation Discussion of Entrepreneur Interviews Discussion of Case#3: Knight the King? (turn in case write-up today) 9-810-077 Did Nike succeed in spite of, or because of Knight? Nike tried to go public in 1970 but aborted the offering. Was it a good idea for Nike to go public in 1980? How could Knight have avoided the crisis posed by Reebok's growth? Please read Greiner's classic HBR article on the evolution of new ventures. Does it give you any insights into Knight's actions as Nike was growing?? Required readings: The Monk and the Riddle (pg. 1-95) Greiner, L.E. (may-June 1998). Evolution and Revolution as Organizations Grow. Harvard Business Review. Gartner, W. B., Starr, J. A., & Bhat, S. (1998). Predicting New Venture Survival: An Analysis of "Anatomy of a Start-Up." Cases from INC. Magazine. <i>Journal of Business Venturing</i>, 14, 215-232. TBD Required reading: The Monk and the Riddle (pg. 95-end)
	Thanksgiving/RW	No Class

WEEK 8	The Marketing Plan	Discussion of Simulation
		Discussion of Case #5: Avid Life (turn in case write-up today) Ivey W12636
		 What are the facts of the situation? What decision must be made and what are the potential courses of action? Are there any laws, policies, and procedures that apply here? What are they? What societal values are involved? Are there any conflicts or tensions among these salient values? Who are the potential stakeholders in this decision? What are their stakes and why are they legitimate? What are the possible consequences to these various stakeholders? How likely and how impactful are they? Are there any specific duties that must be observed? What are they? Are there any specific rights that must be respected? What are they? What are the potential impacts on the reputation of the decision-makers? What is my best decision/most creative solution under the circumstances? Required reading: Drori, I., Honig, B., & Wright, M. (2009). Transnational Entrepreneurship: An Emergent Field of Study. <i>Entrepreneruship Theory & Practice, 33</i> (5), 1001-1022. Lee, JS., & Hsieh, CJ. (2010). A Research in Relating Entrepreneurship.
		Marketing Capability, Innovative Capability and Sustained Competitive Advantage. <i>Journal of Business and Economics</i> <i>Research</i> , 8(9), 109-119.
WEEK 9	Innovation and Creativity	Discussion of Simulation
		Film on Innovation
<u>WEEK 10</u>	Legal Issues and Intrapreneurship	 Discussion of Simulation Discussion of Case #6: A new vision for the Stratford Festival (Ivey W17768) 1. What makes the Stratford Festival a successful organization? What makes for an immersive experience for its patrons? 2. Where should Gaffney focus her energy and priorities for innovation moving forward? What are the implications for the Stratford Festival? How can the various functions come together to facilitate positive change?

WEEK 10 + Supplemental Meeting with Teams	Final Presentation and Consulting Report Preparation	This week is designed for teams to finalize their preparations for the final project due Dec. 4. There will formal team meetings during this week where you meet with the professor and/or TA to develop your consulting report and to practice your presentation.
<u>WEEK 11</u>	Ethical and Social Responsibility	Simulation concludes. Personal evaluations of the simulation to be handed in today.
		Discussion of Case #7: Communato: A big idea for a big market. (North American Case Research Assoc, NA0315)
		 Who are likely car sharing customers? What is Communato's current market? What is Communato's market potential according to Benoit? What is Benoit's concern? What are the barriers to car sharing? Compare and contrast the costs of car sharing with car ownership Required reading: Mair, J., & Marti, I. (2006). Social Entrepreneurship research: A source of explanation, prediction, and delight. <i>Journal of World Business</i> , 36-44.
Week 12	Final Presentations	Class presentations: 15 min for each group.
		Required for all students – this class will be where you "vote" or evaluate all team projects. Each group will submit a group evaluation form for each presentation.
		All hard copies of presentations are due today.
		Entrepreneurship self-assessment also must be handed in today.

How to get your articles

Go to <u>http://library.mcmaster.ca/</u>. The costs of all articles are included in your tuition fee.

How to register for the simulation

Go to <u>http://www.edumundolicence.co.uk/</u> and pick the McMaster course option. Each student must purchase a license (i.e. not per team). You will organize into teams once you have each purchased a license for the simulation.

How to get your cases

The instructions for purchasing the cases follow on the next page.



How to Order Cases from Ivey Publishing

- 1. Please go to the Ivey Publishing website located at: www.iveycases.com
- 2. Login to your existing account or click on "Register". If registering choose the "Student User" role.
- 3. Complete the registration. (Please be sure to remember your username and password.)
- 4. Go to "Express Order" and enter the product number for the required case.
- 5. Select "Digital Download" then click on Add to Cart.
- 6. Go to "My Cart" (located at the top of the page), and click "Checkout".
- 7. Enter course information
- 8. Review and verify your contact information
- 9. Review your order.
- 10. Enter your credit card (Visa or MasterCard) information and then click "submit order".
- 11. Once you have completed your order, go to "My Orders" to download the cases.
- 12. You will receive an order confirmation and receipt by email immediately after placing your order.

<u>IMPORTANT - Please Note the Following:</u>

- To open your cases you will need to re-enter your username and password within the protectedpdf documents.
- Please be sure you are using a version of Adobe Acrobat 6.01 or later and Mac users must use Adobe Reader for Mac
- The Google Chrome PDF Viewer does not support functionalities required to unlock and view these files.
- Access to your case files through your Ivey Publishing account will expire 30 days from date of purchase.
- Copies of the cases will be automatically saved to your desktop downloads these copies will expire after 8 months.

CASE FILES ARE NOT TO BE TRANSMITTED OR REPRODUCED WITHOUT PERMISSION

If you have any questions or require assistance, please email<u>cases@ivey.ca</u> or telephone 1-800-649-6355 during our regular office hours Monday to Thursday 8am to 4:30pm EST, Friday 8am to 4pm EST.