

GMGT 7350 (Go2) (3.0 CH)
BUSINESS VENTURE ANALYSIS
FALL 2022

INSTRUCTOR

Name:	Dr. Zhenyu Wu	Office Location:	318 Drake
Phone:	(204) 474-8425	Office Hours:	By Appointment
Fax:	(204) 474-7545	Class Room:	Drake 140
Email:	Zhenyu.wu@umanitoba.ca	Class Time:	Sep 23-25 & Oct 28-30

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 up to 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.

Potential competitions are:

- Western (IBK Capital – Ivey Business Plan Competition) (January 2023)

- SCG Bangkok Business Challenge (February 2023)
- Louisville (Cardinal Challenge) (February/March 2023)
- Manitoba (Stu Clark Investment Competition) (March 2023)
- Oregon (New Venture Championship) (April 2023)
- Rice (Rice Business Plan Competition) (March/April 2023)
- University of Arkansas Heartland Challenge (April 2023)

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. **Market Validation:** Performing a market and competitive assessment of the proposed market. This includes developing a model of the addressable target market.
2. **Management:** Identifying shortcomings in the core management team and developing a recruitment program to build the management team.
3. **Intellectual Property:** Developing a strategy to use product benefits and intellectual property to create an unfair merchandise advantage for the proposed venture.
4. **Valuation:** 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. **Marketing Strategy:** Understanding the process and developing the necessary market entry strategy for the proposed venture.
6. **Presentation Skills:** Understanding the role various presentation styles play in pitching the proposed venture to potential investors and learning the necessary skills for these methods.

COURSE MATERIALS

No textbooks are required for this course. The following book is highly recommended for the course: Stephen Spinelli Jr., and Robert J. Adams Jr. New Venture Creation: Entrepreneurship for the 21st Century. McGraw-Hill Ryerson. Tenth edition.

The textbook used for your corporate finance course serves as a great reference book for this course: Berk, Jonathan, Peter DeMarzo, and David Stangeland. Corporate Finance w/My Finance Lab, 4th Canadian Edition. Pearson Canada. ISBN 978-0134632285.

Simulations from Harvard Business Publishing Education may be purchased at:
<https://hbsp.harvard.edu/import/968730>

COURSE ASSESSMENT

Assessment Task

Class Participation	20%	Individual
Simulations	10%	Individual
Presentations	30% (Total: 5% + 10% + 15%)	Team
Written Business Plan	40%	Team

Teams

Teams will be formed by the end of Day 1 of the course. Each team must work together on a course project through the whole semester. Peer evaluations may be considered by the professor when final grades are assigned.

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 **70%** of a student's **final grade**. It consists of three presentations and a business plan submitted to the professor via email **BEFORE or AT 5pm Friday December 16, 2021**. No late submissions will be accepted.

Final grades will be assigned as follows;

Cumulative Marks	Grade	GPA	Performance
95-100	A+	4.5	Excellent
90-94.99	A	4.0	Very Good
85-89.99	B+	3.5	Good
80-84.99	B	3.0	Satisfactory
70-79.99	C+	2.5	Marginal
60-69.99	C	2.0	Unsatisfactory
50-59.99	D	1.0	Unsatisfactory
Below 50	F	0.0	Unsatisfactory

NOTE: Class attendance is required. Missing more than 20% of this course due to absences may result in a failing grade. It is your responsibility to inform your professor in advance of your absence and the reason for it (medical documentation or employer note if away for a work commitment) is required. The professor decides how to deal with the impact of missed classes on your final grade. In

the event of a skewed distribution of grades, the total course marks may be curved up or down as necessary (the weighting of each component will remain unchanged).

TENTATIVE COURSE SCHEDULE

Date	Topic/Assignment
September 23	Introduction & Timeline Stu Clark Centre for Entrepreneurship Business Plan Evaluating Venture Opportunities Presentation and Discussion of Available Venture Ideas Guest Speaker(s)
September 24	Team and Leadership New Venture Finance Financial Forecasting Guest Speaker(s)
September 25	Simulation: The Food Truck Challenge Pitching the Deal
October 28	Presentations – Part 1 New Venture Valuation Guest Speaker(s)
October 29	New Venture Valuation Financing New Venture Guest Speaker(s)
October 30	Simulation: Managing Growth Final presentations

ACADEMIC REGULATIONS AND STUDENT SERVICES

HUMAN ETHICS APPROVAL FOR DATA COLLECTION

As part of coursework, if you will be collecting data from people who are not students in this class, you must obtain Human Ethics approval from the UofM's Research Ethics Board (REB) prior to data collection. This applies to data collection such as surveys, interviews, focus groups, experiments, video recording, etc., where a respondent is solicited for participation.

If the entire class will be working on the same project, your instructor will apply for human ethics approval from the REB. If individuals or small groups of students will be working on different projects, it is the responsibility of the students to obtain approval (only one group member needs to apply). Your instructor will tell you whether s/he will be or you need to. **When in doubt, please talk to your instructor.**

Instructions and forms to apply for human ethics approval can be found at:
<http://umanitoba.ca/research/orec/ethics/guidelines.html>

In most cases, you will be using the "Protocol Submission Form" which is under the "REB Forms - Fort Garry Campus" heading.

It can take up to six weeks to process human ethics applications and obtain approval. Therefore, plan early. Note that approval must be obtained prior to data collection and cannot be obtained during the data collection phase or retroactively. Violation can get you, your instructor, and the Asper School in serious trouble with the REB.

The following do not require REB approval:

- a) Projects where students are conducting the research on themselves during class time;
- b) Projects involving the use of records or information that is in the public domain, including the use of anonymous secondary data and surveys or questionnaires that have already been published;
- c) Projects involving the use of naturalistic observation where there is no reasonable expectation of privacy (i.e. public park).
- d) Practicum or job training projects where students are fully integrated into the organization's operational practices and are not conducting research;
- e) Projects where the intent is to use the information to provide advice, diagnosis, identification of appropriate interventions or general advice for a client;
- f) Projects where the intent is to develop skills which are standard practice within a profession (e.g. observation, assessment, intervention, evaluation, auditing); or
- g) Projects where the information gathering processes are part of the normal professional relationship between the student and the participants.

If you have any questions, please contact humanethics@umanitoba.ca or your instructor.

UNCLAIMED ASSIGNMENT POLICY

Pursuant to the FIPPA Review Committee's approved recommendations of August 15, 2007, all unclaimed student assignments will become the property of the faculty and will be subject to destruction six months after the completion of any given academic term.

STUDENT SERVICES AND SUPPORTS

The University of Manitoba provides many different services that can enhance learning and provide support for a variety of academic and personal concerns. You are encouraged to visit the below websites to learn more about these services and supports. If you have any questions or concerns, please do not hesitate to contact your instructor or the Graduate Program Office.

For Information on...	...follow this link
Course Outlines, Year-at-a-Glance, Concentrations, Textbooks, VW Dates and Final Exams	Asper Graduate Student Resources
Exam Rescheduling Policy - <i>Please refer to Missing a Test/Exam on page 18 of the MBA Student Handbook</i>	MBA Student Handbook
Help with research needs such as books, journals, sources of data, how to cite, and writing	Library Resources
Tutors, workshops, and resources to help you improve your learning, writing, time management, and test-taking skills	Writing and Learning Support
Support and advocacy for students with disabilities to help them in their academic work and progress	Student Accessibility Services
Copyright-related questions and resources to help you avoid plagiarism or intellectual property violations	Copyright Office
Student discipline bylaws, policies and procedures on academic integrity and misconduct, appeal procedures	Academic Integrity
Policies & procedures with respect to student discipline or misconduct, including academic integrity violations	Student Discipline
Students' rights & responsibilities, policies & procedures, and support services for academic or discipline concerns	Student Advocacy
Your rights and responsibilities as a student, in both academic and non-academic contexts	Your rights and responsibilities
Full range of medical services for any physical or mental health issues	University Health Service
Information on health topics, including physical/mental health, alcohol/substance use harms, and sexual assault	Health and Wellness
Any aspect of mental health, including anxiety, stress, depression, help with relationships or other life concerns, crisis services, and counselling.	Student Counselling Centre
Support services available for help regarding any aspect of student and campus life, especially safety issues	Student Support Case Management
Resources available on campus, for environmental, mental, physical, socio-cultural, and spiritual well-being	Live Well @ UofM
Help with any concerns of harassment, discrimination, or sexual assault	Respectful Work and Learning Environment
Concerns involving violence or threats, protocols for reporting, and how the university addresses them	Violent or Threatening Behavior

ACADEMIC INTEGRITY

I.H. Asper School of Business, The University of Manitoba

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.

FACULTY BIOGRAPHY

I.H. Asper School of Business, The University of Manitoba



Dr. Zhenyu Wu

Associate Dean Research and Graduate Research Programs
IG Wealth Management Chair in Leadership Research
Professor of Entrepreneurship and Finance
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 IG Wealth Management Chair in Leadership Research, and is a Full Professor (tenured) of Entrepreneurship and Finance at the University of Manitoba. Before being the CRC, he also held the positions of Canada Research Chair in Entrepreneurship and Innovation (2012-21) the Stu Clark Professorship in Financial Management (2011) 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. In the meantime, Zhenyu has been very active in the business communities by involving in both new ventures and publicly listed companies.

Zhenyu's research primarily focuses on entrepreneurship, entrepreneurial finance, and corporate governance, especially the application of agency theory in these fields. He serves on the editorial boards of *Entrepreneurship Theory & Practice*, *Journal of International Financial Markets, Institutions, & Money (JIFMIM)*, and *Family Business Review*. He has also served as a guest editor for special issues published by *JIFMIM*, *European Journal of Finance*, and *International Journal of Managerial Finance*, and co-organized multiple international finance conferences. Since 2006, he has published more than 70 refereed articles in leading business journals and 8 book chapters.