



FACULTY OF BUSINESS AND ECONOMICS

GRADUATE ACCOUNTING AND COMMERCE CENTRE

INOV827

Entrepreneurship and Business Strategy

Gary Barnier

UNIT OUTLINE

Summer Session

6 January – 17 February 2009

Students in this unit should read this outline carefully at the start of the course. It contains important information about the unit. If anything in it is unclear, please consult your lecturer.

ABOUT THIS UNIT

Assumed knowledge:

Students enrolling in this unit are assumed to be familiar with basic accounting, finance, marketing and general business concepts.

Unit description:

Entrepreneurship and Business Strategy (INOV827) is a postgraduate unit offered by the Graduate Accounting and Commerce Centre as part of the Master of Commerce and Master of International Business programs. 4 credit points will be awarded to students who successfully complete this unit.

The purpose of this unit is to provide students with an understanding of the process that an entrepreneur employs to develop an idea into an opportunity and then into a thriving, valuable business. We will see how the application of sound principles of business strategy underpins the entrepreneurial process and is critical in achieving a successful outcome.

Successful completion of this unit will provide students with knowledge and tools that will support you in your own entrepreneurial endeavours or equip you to contribute as part of an entrepreneurial team.

TEACHING STAFF

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Consultation by appointment.

CLASSES

Classes for INOV827 consist of a lecture (around 1½ hours in length) followed by an in-class exercise. During the summer session classes will be held on Tuesdays and Thursdays in Room XXX XXX. Classes commence at 2.05pm and finish at 4.55pm.

There are 11 classes during the summer session. The first class will be held on Tuesday 6 January 2009 and the final class will be on Tuesday 10 February 2009. There will be a revision class on Thursday 12 February 2009 where we will reflect on the concepts discussed during our time together. During this revision class we will also discuss ethics and the entrepreneur and give you an opportunity to complete your group assignments.

The final exam will be held in class on Tuesday 17 February 2009. Your group assignment is due for submission in class just prior to the commencement of the final exam.

LEARNING OUTCOMES

After successfully completing this unit you will be able to:-

1. Describe the importance of entrepreneurship to the global economy and the options for engaging in the entrepreneurial economy;
2. Understand your own entrepreneurial mindset;
3. Apply the entrepreneurial process in order to improve your venture's odds of success;
4. Differentiate between good ideas and marketable opportunities;
5. Evaluate the strength of opportunities through the use of screening tools;
6. Create a business plan that will improve the chances of getting financial backing for your venture;
7. Summarise the key factors in building effective teams and structures to support the new venture;
8. Generate a financing plan for the new venture that will support its start-up and growth phases;
9. Explain the harvest options available to the organisation and create an appropriate harvest strategy;
10. Identify typical ethical problems faced by entrepreneurs and understand the benefits of displaying a positive ethical framework.

In addition to the above discipline based learning objectives, all academic programs at Macquarie seek to develop students' generic skills in a range of areas. One of the aims of this unit is that students develop their skills in the following:-

- Foundation skills of literacy, numeracy and information technology;
- Your self awareness and interpersonal skills, such as the capacity for self management, collaboration and leadership;
- Communication skills for effective presentation and cultural understanding;
- Critical analysis skills to evaluate, synthesise and judge;
- Problem solving skills to apply and adapt knowledge to the real world;
- Creative thinking skills to imagine, invent and discover.

In this unit, the interactive nature of the lectures, group work, use of real world examples and opportunities to apply models through individual assessment tasks will be helpful in achieving these objectives.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

The required text for INOV827 is:

Timmons Jeffry A. & Spinelli, Stephen (International 2008) NEW VENTURE CREATION: ENTREPRENEURSHIP FOR THE 21ST CENTURY (McGraw Hill, 8th Edition)

This text will be available for purchase at the Macquarie University Co-Op Bookshop.

Additional readings and other materials, including powerpoint slides for each lecture, will be placed on the unit webpage and / or distributed in class.

UNIT WEB PAGE

A unit web page will be maintained on the university's online teaching facility (<http://learn.mq.edu.au>).

This website will be used to communicate with students outside of class time, post reading materials and lecture notes and support assessment tasks. Therefore you should check the site regularly.

On entering the website you will be asked to enter a username and password. Your username is your standard Macquarie Student ID Number (an 8-digit number found on your Campus Card). Your password will be the original MQID password that was sent to you on enrolment (2 random characters followed by your date of birth in ddmmy format), unless you have already changed your password in the myMQ Student Portal.

Note that both your username and your password are CaSe SeNsItIvE.

TEACHING AND LEARNING STRATEGY

There will be a lecture at the beginning of each class that will be used to present new concepts and tools that will contribute to students' understanding of the subject area and assist you to complete assessment tasks. These lectures will be interactive and will use real life examples where possible.

These lectures will run for approximately 1½ hours and will be supported by a powerpoint presentation that will highlight the key concepts. In order to prepare for these lectures students are required to complete the readings for this session in advance. These readings are set out in the week-by-week timetable that can be found at the end of this course outline.

The second part of each class will be used to complete in-class exercises that will provide students with an opportunity to put the concepts and tools discussed during lectures into practice. Some of these in-class exercises will be completed outside of class time and will be collected the following week. These collected exercises will contribute to your individual assessment.

Students will be placed into groups at the beginning of the course. Each group will work together to complete a group assignment. This group assignment will concentrate on implementing a small number of the key tools discussed during the course. The second part of some classes will be used to allow groups to work on some particularly critical parts of their group assignments.

A final exam will be held during the last class of the course. This final exam will test students' comprehension of the critical behavioural and structural challenges faced by entrepreneurs.

Please see the week-by-week class timetable at the back of this course outline.

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

The purpose of the assessment tasks is to demonstrate that students have met the learning objectives as set out above. The following table describes the relationship between the assessment tasks and the learning outcomes:-

Assessment Task	% of Total Marks	Learning Outcome No.
Final Exam	40	1,3,4,8,10
Group Assignment	30	5,6,7,8,9
Individual Assignments	30	2,3,4,5,7,8

Final Exam (40% of total marks)

The final exam will be held in class on Tuesday 17 February 2009 and will take 2½ hours.

The final exam will be an individual assessment and will be made up of four short answer questions worth 10% each. These questions will examine your comprehension of the key theoretical concepts discussed in class.

The answer to each question should be succinct and to the point. Answering in bullet point form is acceptable. Each answer should be no longer than three pages of the exam books provided.

The final exam will be closed book. You may bring a standard paper dictionary into the exam. No notes, textbooks or other materials may be used.

Passing the final exam is required to earn a passing grade in the unit.

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at

<http://www.reg.mq.edu.au/Forms/APSCon.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled as soon as practicable after the end of the Summer Session.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester.

Group Assignment (30% of total marks)

During the first class you will be assigned to a group of 4 to 5 students. Your group will work together through the summer session to build a plan for a new venture by completing the following tasks:-

1. From the ideas generated by your team select several opportunities to be screened. Screen these opportunities using the tools you have been exposed to in this unit. Select one opportunity that will form the basis of your new venture.
2. Create a business plan for your new venture that will encourage investors and debt providers to back you.
3. Recommend a team and organisation structure that will best support your new business.
4. Generate a financing plan that recommends the most appropriate funding sources and provides support for this recommendation.
5. Finally, recommend a harvest plan for your organisation that provides the maximum value for the initial investors.

This plan should be provided as a powerpoint presentation of no more than 20 pages plus appendices. The appendices should include the detailed worksheets you have used to create your plan. The format of this assignment will be discussed in detail during the first class. Please note that evidence of clear thinking and an appreciation of the process is far more important than the volume of information generated.

As this is a group assignment all members of the group will receive the same mark.

This assignment must be handed in during class on Tuesday 17 February 2009 just prior to the commencement of the final exam. Late assignments will not be accepted.

A considerable amount of time during class has been allocated to allow groups to work on this assignment.

Individual Assignments (30% of total marks)

The second part of most classes will be used to complete an in-class assignment that provides students with the opportunity to practice the concepts that have been discussed during the lecture. Three of these in-class assignments will be randomly chosen during class to be handed in at the following class. Together these three assignments will count towards 30% of the total marks available for this unit.

PLAGIARISM

The University defines plagiarism in its rules: “Plagiarism involves using the work of another person and presenting it as one’s own.” Plagiarism is a serious breach of the University’s rules and carries significant penalties. You must read the University’s practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

UNIVERSITY POLICY ON GRADING

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG that you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit.

The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark.

For an explanation of the policy see

<http://www.mq.edu.au/senate/MQUOnly/Issues/Guidelines2003.doc> or

<http://www.mq.edu.au/senate/MQUOnly/Issues/detailedguidelines.doc>

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>

Lecture No. & Date	Topic	Activity	Readings
	<p>The role of strategic thinking in proving opportunities</p> <ul style="list-style-type: none"> - Market attractiveness - Ability to compete 		
5 (20/1/09)	<p><u>Getting support for opportunities</u></p> <p>Understanding how venture capitalists and other backers screen opportunities</p> <p>Meet an analyst who screens opportunities</p>	<p>Screening exercise – In class assignment</p> <p>Guest lecture</p>	<p>Timmons & Spinelli, Chapter 5 (pages 169 – 215)</p>
6 & 7 (22/1/09 & 27/1/09)	<p><u>Getting support for opportunities</u></p> <p>Building a business plan that will get financial backing for the new venture</p>	<p>Worked example</p> <p>Groups work on business case for major assignment</p>	<p>Timmons & Spinelli, Chapter 6 (pages 223 – 246)</p>
8 (29/1/09)	<p><u>Operating the business - building the team</u></p> <p>Leadership competencies required for start-up, high growth and operating phases</p> <p>Forming and building teams</p> <p>Rewards and Incentives</p>	<p>In class assignment</p>	<p>Timmons & Spinelli, Chapter 7 (pages 257 – 270)</p> <p>Timmons & Spinelli, Chapter 8 (pages 291 – 298)</p> <p>Timmons & Spinelli, Chapter 8 (pages 298 – 301)</p>
9 (3/2/09)	<p><u>Operating the business – organisation structure</u></p>		

Lecture No. & Date	Topic	Activity	Readings
	Types of structures Family businesses An entrepreneurial approach to engaging resources	 Groups work on organisation structure for major assignment	Timmons & Spinelli, Chapter 17 (pages 561 – 579) Timmons & Spinelli, Chapter 10 (pages 341 – 353)
10 (5/2/09)	<u>Financing the business</u> Determining capital requirements Financial and fund raising strategies Obtaining debt capital	 Case study: “The Devil is in the Details” – In class assignment	Timmons & Spinelli, Chapter 12 (pages 387 – 398) Timmons & Spinelli, Chapter 15 (pages 493 – 509)
11 (10/2/09) Final Class	<u>Financing the business and Value Creation</u> Obtaining venture capital Doing the deal: Valuation, structure, and negotiation Creating a harvest strategy	 In class assignment	Timmons & Spinelli, Chapter 13 (pages 409 – 429) Timmons & Spinelli, Chapter 14 (pages 447 – 465) Timmons & Spinelli, Chapter 19 (pages 617 – 626)
12 (12/2/09) Revision Class	<u>Revision Class</u> Ethics and the entrepreneur		Timmons & Spinelli, Chapter 9 (pages 321

Lecture No. & Date	Topic	Activity	Readings
	<p>What can go wrong in starting a new venture and options for getting out of trouble</p> <p>Reflect on concepts discussed during course. Clarify any matters of uncertainty</p>	<p>Groups complete work on group assignment</p>	<p>– 334)</p> <p>Timmons & Spinelli, Chapter 18 (pages 597 – 608)</p>
<p>13 (17/2/09)</p> <p>Final Exam & Group Assignment Due</p>	<p><u>Final Exam and Hand In Group Assignment</u></p>		