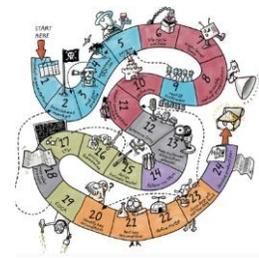




MASSACHUSETTS INSTITUTE OF TECHNOLOGY
15.390/15.3901 NEW ENTERPRISES
Fall 2016
COURSE SYLLABUS



CLASS TIMES AND LOCATIONS

15.390/15.3901 A. Monday and Wednesday, 2:30 – 4:00pm, E62-262 (MIT Sloan)
15.390 /15.3901 B. Monday and Wednesday, 4:00 – 5:30pm, 32-141 (MIT Stata Center)

OVERVIEW

In 15.390/15.3901, we not only study entrepreneurs, we become entrepreneurs. Students will learn the process of how to create an innovation-based new venture. As a framework for this, we use the business planning process and students develop the essential parts of a business plan and investor pitch as a useful vehicle to achieve this goal. Students will work in teams to launch companies, working through issues of market analysis, technology viability assessment, competitive positioning, team-building, product life-cycle planning, marketing strategy, sales channel analysis, and a strong emphasis on the entrepreneur as a salesperson. We will map the practical steps of organizational and legal issues associated with forming a brand-new company, following the 24-step framework outlined in Disciplined Entrepreneurship.

This is a hands-on course that teaches a rigorous framework as well as provides a valuable experience to students so that they, upon completion, can be more successful in starting a new venture. This has been evidenced by the hundreds of successful entrepreneurs this class has produced, who have gone on to form dozens of companies including A123 Systems, HubSpot, OnChip Power, LARK Technologies, and the majority of the \$100K winners over the past two decades. Just in the past two years, the following are examples of new ventures that came out of this course: Prepify, Swann's Tea, Intentiv, Humon, AvaTech, EcoVent, and PillPack.

NOTE REGARDING INTELLECTUAL PROPERTY RIGHTS

Work done in the class is purely for academic purposes and there is no explicit or implicit agreement that teams that are formed in the class are obligated in any way to share their intellectual property or equity in a new venture that comes out of the class. All marketing and business analysis that is produced is considered public domain unless explicitly specified and agreed to by the instructors.

OFFICE HOURS

Office hours are Fridays 9-10:30am in the Martin Trust Center (e40-160). Additional time slots may be announced during the course of the semester.

SPECIAL SESSION FOR UNDERGRADUATES

Undergraduates will be invited for special lunch sessions approximately every third week on Friday 12PM. It will be an opportunity for undergraduates to get additional mentoring, coaching and exposure to entrepreneurship, as well as hear from fellow undergraduate founders.

INSTRUCTORS**Bill Aulet**

Senior Lecturer & MD of the Trust Center

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Christian Catalini

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CLASS RESOURCES

Course Website: <https://stellar.mit.edu/S/course/15/fa16/15.3901/>

Additional Advisory Resources Available

Please refer to <http://www.detoolbox.com> and the MIT edX entrepreneurship courses (<https://www.edx.org/course/entrepreneurship-101-who-customer-mitx-15-390-1x-0> and <https://www.edx.org/course/entrepreneurship-102-what-can-you-do-mitx-15-390-2x-0>). We also strongly encourage you to take advantage of the Entrepreneurs In Residence (EIR) program available through the Trust Center for MIT Entrepreneurship. For more information and to schedule a time with an EIR, go to <http://entrepreneurship.mit.edu/eir>. Lastly, in addition to the Martin Trust Center resources, for an overview and searchable guide to the entrepreneurship ecosystem at MIT, you can visit the MIT Innovation Initiative website, <https://innovation.mit.edu/>.

REQUIRED MATERIALS

Disciplined Entrepreneurship: 24 Steps to a Successful Startup (Wiley, 1st Edition)

Bill Aulet, ISBN: 1118692284

The lectures will cover material rapidly. We expect students to complete reading Disciplined Entrepreneurship: 24 Steps to a Successful Startup (referred to as DE), by the fourth week of class to maintain this pace.

SUGGESTED READINGS

Inbound Marketing, Brian Halligan & Dharmesh Shah

Made to Stick, Chip Heath & Dan Heath

GRADING

20% individual participation and attendance

15% individual deliverables and midpoint peer review

25% team deliverables (based on slides prepared for each of 24 steps of DE)

10% in-class presentations (includes “board meetings”)

30% final deliverables and final peer reviews

Individual participation and attendance

Class participation is expected. We will “cold call” students who are not participating on a regular basis. Please display your name on a card in front of you at all times. Consistent with Sloan values, please refrain from using your laptops, mobile devices, and tablets during class.

Classroom attendance is 100% required. Unavoidable absences due to illness, family emergencies, or religious holidays are excusable but please let your TAs know ahead of time. *More than two unexcused absences will reduce your final grade by up to a letter grade, independent of the overall grading scheme.*

Individual deliverables and peer review

Students are to submit the following deliverables:

- **Initial survey:** See assignment posted on Stellar for more information.
- **Intro video:** See assignment posted on Stellar for more information.
- **Signed PMR pledge:** See assignment posted on Stellar for more information.
- **Idea journal:** Keep a running journal of ideas that you might consider using for your business idea. See assignment posted on Stellar for more information.
- **Individual PMR report:** This assignment is designed to encourage entrepreneurs to gain a firm understanding of the future users of their products/services. In the write-up each student should discuss how primary market research was conducted, the insights gained, and how the project will be adjusted accordingly.

- **“Take an entrepreneur to dinner:”** Each student should set up an in-person appointment with an entrepreneur and write a report on the insights from his / her experience. Please take into account that entrepreneurs have busy schedules, so you should book your appointment well in advance of the assignment **due date Monday, December 7, 2016.** **No late exceptions will be granted to accommodate scheduling issues, please plan accordingly.**

Additionally, individual deliverables will include both a midterm and final peer evaluation. These will be graded both on each student’s ability to provide positive feedback to team members, as well as the evaluation received by peers. If your teammates make it clear that you did not actively contribute to the team, *this will reduce your final grade by up to a letter grade.*

In-class presentations and Team Deliverables

Much of the learning in New Enterprises comes from the shared experience of all groups. All teams must prepare a mini slide deck for EACH week from sessions 8 to 20 (except 17), according to the rubrics posted on Stellar (**in orange on Syllabus**). These decks are to be uploaded through Stellar by **10am** on the day of the class its due and a hardcopy shall be provided in class in person. The decks will be graded (V-, V, V+) and in-class feedback will be provided. Further qualitative feedback may be provided via office hours. One to three teams will be called on randomly in each class to provide a 5-minute presentation of their deck regarding the step in discussion. To gain most value from the presentations, selected teams should a) give a brief pitch of their business b) briefly summarize how they approach the step and c) indicate to the class what kind of feedback they are specifically seeking. Presenting teams should not try to answer the feedback questions from peers real-time, to allow for as much feedback to be provided.

In addition to mini slide decks for each class session, each team will submit four consolidated assignments (**in blue on Syllabus**) during the semester. These deliverables function as a chance to update earlier steps based on feedback, preparation for the final presentation/deliverable and opportunities to obtain feedback from your classmates and/or class guests. The assignments include: four pitch decks that consolidate the main phases of DE’s 24 steps and a financial analysis (includes spreadsheet and explanatory slides).

Each component of four consolidated assignments will be graded (V-, V, V+). Qualitative feedback will be provided by a panel of experienced entrepreneurs (i.e. GFSA, EIRs, previous 15.390 participants) in “board meetings” on days when or just after consolidated decks are due. These “board meeting” clusters will be assigned after teams are formed.

Teams should incorporate this feedback into their final pitch deck, which will be prepared in two versions. One version will be designed as a presentation for potential investors, while the other will cover all of DE’s steps. Specific rubrics for each deliverable are provided on Stellar.

We recognize that the class pace and rhythm can vary for each team depending on commitments outside class and varying needs of time on different steps. Thus, teams will also be allowed one **“wildcard”** for a deadline extension during the semester, i.e. one opportunity to extend one minideck deadline by a class, hence if a deck was due 10AM Monday, the team may extend to submit it by 10AM on the following Wednesday. Teams must notify the TA sufficiently ahead of the deadline if they intend to user their ‘wildcard’ extension. Note: The “wildcard” deadline option does not apply to consolidated decks.

Additional Mentorship

TA's/ Professors: If your team requires feedback outside of these assignments from the TA's/Professors you may schedule time during office hours.

EIRs: Teams may email the entrepreneurs in residence at the Martin Trust Center (eir@mit.edu) for additional advice and support

Optional Pitch Videos: teams will be given the option for each consolidated deck deadline (4 in total) to submit a **max 5 min.** pitch video to be distributed to the Professional Advisor Network of experience advisors (industry experts, EIRs, etc) for feedback.

SCHEDULE OVERVIEW

- Deliverables are **due 10am** before the class in which assignments are listed.
- See Stellar for additional information on each specific deliverable.
- Completed deliverables should be posted online to Stellar under “materials tab.” Do not submit hard copies to TA.

Class	Date	Topic	Preparation	Deliverables
1	Wed 9/7	<u>Class Intro, 24 steps overview and market segmentation</u> Overview of Class, Logistics (e.g. grading, expectations, rules, requirements). Individual student intros to understand motivations & ID personas.	Read overview of personas, DE Intro, DE Six Themes, DE Step 0, DE Step 1	
2	Mon 9/12	<u>Ideation 101</u> Learn how to build the top of the ideation funnel while getting to know classmates.	Watch IDEO Shopping Cart Video: www.youtube.com/watch?v=M66ZU2PClCM	<ul style="list-style-type: none"> • Complete Survey • Complete & Upload Intro Video • Complete Idea journal
3	Wed 9/14	<u>Industry insights</u> Give students the opportunity to brainstorm in industry specific groups and meet each other.	Research trends in industries that you have a particular interest in. Network with classmates from both sections for team formation. It is your	<ul style="list-style-type: none"> • Do background research on industries you're interested in. • Watch classmates 60 sec intro videos

			<p>responsibility to find your team. Do not wait until the team formation deadline.</p> <ul style="list-style-type: none"> • Watch classmates' videos for common interests • Email potential team members • Connect & Network 	
4	Mon 9/19	<p><u>Team and idea formation</u> Full class dedicated to pitching ideas and finding potential teammates.</p>	<p>Prepare to pitch your venture idea.</p>	<p>Network with classmates from both sections for team formation. It is your responsibility to find your team. Do not wait until the deadline.</p> <ul style="list-style-type: none"> • Watch classmates' videos for common interests • Email potential team members • Connect & Network
5	Wed 9/21	<p><u>Team and idea formation</u> Full class dedicated to pitching ideas and finding potential teammates. Networking Session After Class @ 6pm Location Muddy Charles Pub (bring ID)</p>	<p>Prep your pitch for in-class pitch session. You will be pitching to your class.</p> <p>Continue networking with classmates from both sections for team formation.</p> <ul style="list-style-type: none"> • Watch classmates' videos for common interests • Email potential team members • Connect & Network 	<p>Final Team Formation Request due Thursday, 9/22 @ 10am. TA's will send out link for you to fill out: 1) Team Name 2) Team Idea 3) Team Members.</p> <p>Final Team Approved by Teaching Team by Friday, 9/23 10am. TA's will send out announcement with final team approvals.</p> <p>Make sure you start your PMR work ASAP.</p>
6	Mon 9/26	<p><u>Honest & effective use of PMR</u> How to effectively conduct Primary Market Research. Mock interview</p>	<ul style="list-style-type: none"> • ID your list of 30 PMR candidates and start contacting them. • Conduct PMR interviews. 	<ul style="list-style-type: none"> • Sign and submit PMR pledge

		resources available.		
7	Wed 9/28	<u>PMR practice</u> TAs and professors available to coach and help for PMR interviews	<ul style="list-style-type: none"> Conduct PMR interviews. 	<ul style="list-style-type: none"> Optional Class Teaching team will be available for teams and questions about PMR during class time. Individual PMR report due Friday, 9/30 11:59pm on Stellar.
8	Mon 10/3	<u>Selecting a Beachhead Market</u> Tips, advice, dos and don'ts on how to select a BHM	DE Step 2	<ul style="list-style-type: none"> PMR, Segmentation & BHM step slides due
9	Wed 10/5	<u>End user profile, TAM</u>	DE Steps 3-4	<ul style="list-style-type: none"> End user profile and TAM step slides due.
	Mon 10/10	<i>Columbus day</i>		<i>No class</i>
10	Wed 10/12	<u>Persona, full cycle use case</u>	DE Steps 5-6	<ul style="list-style-type: none"> Persona & Full Life Cycle Use Case step slides due.
11	Mon 10/17	<u>High-Level Product Specs, Quantify Value Prop</u>	DE Steps 7-8	<ul style="list-style-type: none"> 1st Consolidated Team Presentation Deck on PMR, BHM, TAM, & Persona due. High-level specs, quantified value prop step slides due.
12	Wed 10/19	<u>Identify next 10 customers, Define your core, chart your competition</u> Review Cheeky Chompers activity – What's your core?	DE Steps 9-11	<ul style="list-style-type: none"> Next 10 customers, Core, Competitive Position Midterm peer evaluation due
	Mon 10/24	<i>SIP week</i>		<i>No class</i>
	Wed 10/26	<i>SIP week</i>		<i>No class</i>
13	Mon 10/31	<u>"Oh sh*t!" class</u> Opportunity for students to stop and figure out		<ul style="list-style-type: none"> 1 slide on Oh Sh*t Team Update.

		what to do next, especially if idea or team is struggling. Space for peer feedback.		
14	Wed 11/2	<u>Determine the DMU and DMP</u>	DE Step 12-13	<ul style="list-style-type: none"> • 2nd Consolidated Team Deck due: Use cases, specs, value prop, core, competition. • DMU/DMP
15	Mon 11/7	<u>Customer acquisition, follow-on TAM</u>	DE Steps 14	<ul style="list-style-type: none"> • Follow-on TAM step slides due.
16	Wed 11/9	<u>Financials</u>	DE Steps 15-17	<ul style="list-style-type: none"> • Guest Lecture by Charlie Tillet
17	Mon 11/14	<u>Design Business Model, Pricing Framework, Calculate LTV</u>		<ul style="list-style-type: none"> • Business model, pricing and LTV step slides due.
18	Wed 11/16	<u>Board meeting sessions in the Martin Trust Center</u>	Teams to pitch to panels of experienced entrepreneurs for feedback	
19	Mon 11/21	<u>Map the sales process, Calculate the COCA</u>	DE Steps 18-19	<ul style="list-style-type: none"> • 3rd Consolidated Team Deck Due: DMU/DMP, customer acquisition, follow-on TAM, Business Model, pricing and LTV • Sales process and COCA step slides due.
	Wed 11/23	<i>Pre Thanks giving</i>		<i>No class</i>
20	Mon 11/28	<u>Identify and test key assumptions</u>	DE Steps 20-21 Contact your entrepreneur and set-up time to connect.	<ul style="list-style-type: none"> • Financials and key assumptions worksheets due (includes summary slides, P&L Sales, Staffing, Expense, CAPEX/Cash Flow, Sensitivity Analysis, and Assumptions) • Identify and test key assumptions slides due

21	Wed 11/30	<u>Define MVBP, Show the dogs will eat the dog food, Develop a product plan</u>	DE Steps 22-24	<ul style="list-style-type: none"> MVBP, dog food, and Product plan step slides due
22	Mon 12/5	<u>Nick Meyer: The awesome art of story telling</u>		<ul style="list-style-type: none"> 4th Consolidated Team Deck Due: Sales Process, COCA, Key Assumptions, MVBP, Dog Food, Product Plan.
23	Wed 12/7	<u>First 90 days; Trouble ahead: what to do when things go wrong?; Giving a good presentation.</u>	DE Postlude	<ul style="list-style-type: none"> Take-an-entrepreneur-to-dinner assignment due. If you want TA feedback in preparation for your pitch deck due Tuesday, please email your TA ahead of time.
24	Mon 12/12	<u>Final presentations</u>		<ul style="list-style-type: none"> Upload final pitch deck Sunday 12/11 at 11.59pm to Stellar (this pitch deck is not graded, TA's will check that you have uploaded your deck)
25	Wed 12/14	<u>Final presentations</u>		<ul style="list-style-type: none"> Final 24-step presentation deck due Thursday, 12/15 by 5pm (assignment is graded). Peer evaluations due. TA's will send out link for feedback.

Frequent Q&A's

1) How to register for 15.390 class and get access to class materials on the Stellar site?

For MIT Students, please follow these steps:

- a. **Register online or download a registration form.** Form needs to be signed by Bill Aulet (TA's cannot sign). Students in section A should arrive to class early for signature or attend Bill's office hours because he leaves class early to teach section B, which is right afterwards. Please email Renee Lawlor rlawlor@mit.edu to find a time with Bill. For additional Information, please referenced attached PDF:



Add Drop Student
Guide.pdf

- b. **Stellar Access-** Please email your section TA's with your @mit.edu email address and we will add you. Please give up to 24-48 hours for access to Stellar once your TA has added you to the class.

For NON- MIT Students, please follow these steps:

- a) To officially register for this class, ALL students must download, fill, sign (by Bill) and submit the add/drop form. See above step A under MIT student instructions for additional information.
- b) All students must get a @mit.edu email address, which means you need to register for a Kerberos password. Additional instructions: <http://ist.mit.edu/start/kerberos#identity>. If you have any issues, you can contact the MIT IS&T Help Desk, information below:

[IS&T Help Desk](#)

[E17-110](#), 40 Ames Street

Walk-ins: 9AM-5PM, M-F

Email: helpdesk@mit.edu

Phone: 617-253-1101 (3-1101)

Telephone/Online: 8AM-6PM, M-F

- c) **Stellar Access-** Please email you section TA's with your @mit.edu email address and we will add you. Please give up to 24-48 hours for access to Stellar once your TA has added you to class.

PLEASE NOTE: For non-MIT students, all course syllabus, assignments, announcements are always posted on Stellar (stellar.mit.edu). If you do not have a Kerberos and @mit.edu email address, you will NOT have access to Stellar.

- ### 2) What should you do if you registered late for 15.390?
- Please make sure you're fully registered for the class and to Stellar. Please read all class announcements and complete all homework and class assignments as soon as possible and by Friday 9/25 at the latest. We understand students will be adding the course for the first 1-2 weeks of class and TA's will note when you have joined the class.

- 3) Team Logistics and Registering for Section A or B?** During idea and team formation, you are allowed to reach out to students in both sections to form your teams. HOWEVER, once we've finalized your team, all members must be in the same section, **no exceptions**. We ask that teams register for the same class because you will be completing presentations by section and all members must be registered together.
- 4) Team Presentation Guidelines & Expectations?**
- 1) We will take your team's compliance of presentation guidelines and expectations listed below into account as part of the slide format grade.
 - 2) Please save presentation files as a PowerPoint doc and named: Team Name_Assignment X_SectionX
 - a. Please look at the schedule overview below for which assignments correspond with which number under the "Deliverables" column.
 - b. Please note whether you are in Section A or Section B.
 - c. Please designate one team member to handle uploads on a regular basis
 - 3) Team overview: Always include an introduction slide including:
 - a. Team Name (please finalize your team name and keep it consistent)
 - b. Team Members
 - c. Program Name for each Team member
 - d. 2-3 sentence overview about your project
 - 4) Audience: The slides you are preparing weekly for class assignments will eventually build into a final pitch deck. You should present your information in a clear, concise, and professional manner that fits the level of expectations that VCs/investors would look for in a pitch deck.
 - 5) Content: Please look at the grading rubrics for guidance on content to include. **Please include a write-up in the notes section to guide the reader through your team's logic, rationale, and key take-aways. The notes should be like a voiceover to your presentation as if you were standing in front of the reader.**
 - 6) Participation grade: Your presentation will be included as part of your participation grade for the class. All team members are highly encouraged to present. Non-presenting members will get a lower participation grade as a result.
 - 7) Presentation Time Requirements: Please adhere to the time requirements as posted by TA/Professors.