

The Student's Guide to the Entrepreneurial Course at DTU

Course 42435. **Spring 2014**, Monday afternoons.

Location: **Building 306 room 35.**

Knowledge based Entrepreneurship

12 recommendations

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This is a User's Manual, designed to increase your benefits from participating in the DTU entrepreneurial course considerably. But you need to read it before it works!

You need to join a Group =>

We can help, but we need to know You better

We need to know your coordinates, a little about you and whether you are already part of a team or looking for one. If you have a business idea and you plan to develop it as part of this course: please tell us. The personal ID form is made for this and available at the course site. It will be sent to you as an e-mail attachment on Monday 27 January. You may also get it from the file sharing facility at CampusNet.

Please fill out the ID-form and return it as an e-mail attachment to <johe@dtu.dk>. Deadline: **Tuesday, 4 February 2014, 12:00 noon**. That will allow us to establish teams before 2. lecture, and you will gain valuable time together with your group.

The ID-form is a mandatory enrollment document since without it you are not registered as part of a group, and we do not have the capacity to serve individuals at this course. So make sure we get it due time. (*Before 4 February 2014, 12:00 noon*)

Pedagogies and didactics.

This course builds on project based learning, spiced up with lectures. Groups generate their own ideas, develop business models and design plans for commercializing – supported by seasoned coaches. This means that the most important success factor is a well functioning, dedicated group that puts some efforts into achieving a result. So join and engage, do your bit and make the group score at exam and beyond.

The pedagogies concur with the CDIO concept for engineering education: Conceive – Design – Implement - Organize. You conceive business ideas, you design business models, and you analyse and plan a business start up.

We have a number of quest lecturers coming to give us insight in current conditions for starting and developing high-tech ventures and to present real-life experiences. Previous course evaluations unambiguously indicate, that these lectures are the highlights of the course – and you get valuable information that is not available elsewhere. But you have to be there, so -

Recommendation #1: ***don't miss the lectures if you possibly can.***

Statistics indicate unambiguously that ***the grade that you achieve at exam is significantly and non-trivially correlated to your participation in lectures*** – just to make sure that you got the point.

The Team + the Advisors

Your group is going to produce a business plan in a parallel to the lectures. We know from repeated experiences, that small groups and groups starting late run into work overload problems. Don't be the next example, so -

Recommendation #2: ***4 – 5 members is a good size.***

Try to recruit up to that.

You are probably already highly trained in group- and project work. Use your skills! Organize the group, share the work, take responsibility, appoint a helmsman, meet regularly, be accessible and exercise good project management – and **DON'T QUIT once airborne.**

So:

Recommendation #3: ***Get your team up and running from day one.*** (Deadline for group formation: Monday 10 February 2014)

Individual student ambition levels vary. The course is mandatory to some and elective to others. Usually the latter have high expectations, while some of those who have to sign up, are a bit alienated. Non-aligned individual ambition levels in a group can really destroy group work. So adjust your levels at kick-off and consider it an agreement amongst you.

Recommendation #4: ***Adjust the group ambition level at project kick-off.***

Coaching will be available throughout the course until exam. Quality of business start-up projects and hence ***marks given at exam are highly impacted by consultants.*** So:

Recommendation #5: ***Develop a good working relation with a coach.*** Coach coordinates will appear on www.entrepreneur.dk and in broadcasts. Dorte Wiene is our chief in this field. Contact her to get a coach. More to follow at 2. lecture.

The Project plan

Your project typically includes two milestones and three work periods:

Kick-off: The team is formed. (No later than Monday 10 February 2014)

1. *First Work period:* The quest for the business opportunity and the idea in ping-pong with teacher(s), coach(es) and potential customers. Transformation of a business idea into a business model including a start-up strategy via rough estimates, quick calculations and discussions with teacher(s), coach(es) and mentors/advisors in your own network.

First milestone: Product/service identified and + Business model designed.

2. *Second Work Period*: Research and analysis. The assumptions on pain and value creation in the market are verified by empiric information. The marketplace materializes.

Second milestone: The data incl. customer feed-back needed to finalize your business model and develop your business plan has been collected and is ready for analysis.

3. *Third Work Period*. Business planning: rationale, action plan, resource plan, time schedule and budgets are procured.

Termination: the completed business plan + Go-No go decision + pitching the project at exam.

Each task takes its time. In particular: do not rush for the business idea. The first work period is usually quite frustrating. Desperate groups tend to jump to the first viable idea that comes into view. Reduce the risk of missing a clearly better candidate by being persistent! So:

Recommendation #6 allow app. three weeks from kick-off to finalise your portfolio of ideas in order to select the most perspective and to develop a business model. Spend another 2-3 weeks doing customer interviews and market research, and finally spend 3-4 weeks in finalizing your business plan. After that set aside one-two working days, sometime end May to prepare your presentation at exam

Here is a tentative time schedule:

Kick-off:	Team fully operational.	Week 7	14 February
1. milestone:	Product /business model OK	Week 10	7 March
2. milestone	Market research finalised	Week 15	11 April
Project deadline:	Business plan completed	Week 21	26 May

Deadline, submitting business plan: Monday 26 May 2014, 12.00 noon.
Exams: 2. and 3 June 2014 from 08 am.

The Business Idea

Getting the right idea is probably the most complicated part of being a successful entrepreneur. At 3. lecture, we will address some methods and principles that can help you enhance your commercial creativity. To get you started before that, however: here are the essentials:

1. Your professional skills should be exploited in the development and marketing of your product/service. We don't like to see you spending 5 years in higher education to start a travel agency or an ethnic restaurant. Your competitive strength is embedded between your ears. Use it – or loose it. As a first-timer, you cannot compete with skilled and seasoned entrepreneurs outside your own field of expertise anyway.

2. Look for “pain” in the market. No pain = no gain = no company. You must identify a clear need for your product/service. You must be able to clearly explain the values that your product or service creates for your customer. At the beginning you may have to guess a lot, but later in the business planning process you need to be more specific. If you can do that, you win! And also remember to look for wealthy and expanding markets, where lots of money is spent. There you can get away with almost everything - in a dire contrast to stagnant markets.
3. Keep your business model simple and focussed. That makes your project easier to plan, easier to communicate and easier to execute. (Tony Blair: “If you cannot communicate your policy, you cannot execute it. Same goes for business start-up projects.)
4. As a rule of thumb: stay out of end-user markets (Business – to – Consumer or B2C) and find the position in the value chain, where your competencies make a difference. (Business to Business market or B2B). That is: businesses/institutions are your most likely customers. So:

Recommendation #7: go for ideas that build on your competences, and make sure that your product/service solves real problems for real customers in a way that creates non-trivial values.

Quite simple, right?!

The Business Plan

The internet is loaded with templates, literature, samples etc. Just try the links at www.entrepreneur.dk or make a search on the internet and find yourself a suitable template that fits your specific professional domain.

The textbook for this course includes a section on business planning, designed to be used as a template, for your convenience. You may download this section in a MS-WORD format – also from the website - and start writing in it.

Recommendation #8: You don't need to build your own business plan from scratch. Save time by downloading a template. www.entrepreneur.dk offers a battle proven sample which works OK in most cases. Google provides 64.700 other BP templates.

Economy

A budget on cash flow is mandatory. Budgets on profit/loss, assets/liabilities and investments are considered an asset. We will look into that in one of the lectures. But since cash is as essential to your company as gasoline is to your car, you better get that budget right – or your project will die in the sand like your car will stop in the middle of the race. So:

Recommendation #9: put some efforts into establishing a credible cash flow budget. Some spreadsheet models are available at the course web-site, and we have a full lecture on that coming up.

Crash Landing is NOT an Option

Sometimes at the end of the project, it turns out, that the business venture doesn't work. By example: your start-up project is not interesting enough to attract the capital that you need to get it up and flying, so the business is simply not viable. Do not panic! In real life, you would have to modify your business idea and/or your business model and start planning all over again. In this course you don't have the time for that. You are cached by time – so instead you explain to us why it won't fly, and why this project should be abandoned or reshaped.

We have given top marks to crews that concluded that their project was a journey to bankruptcy – and hence dropped it. This is just as important a conclusion as the opposite - and also a more difficult conclusion to accept and present. However, this course is very much about demonstrating applied common sense and not so much about demonstrating profitability.

Examination

Examination at 42435 is a main component in the course pedagogies. We want you to train and test your skills in presenting a complex commercialisation project. Examination is however, also a control that you cached the important points and skills.

Examination is a combined group- and individual performance

Language at exams – written and spoken - is English only.

The examination starts by your team introducing (pitching) the business plan. This short session allows censor and examiner to get updated and sharp on your specific project. (We receive 30 – 35 business plans, so we really need this session to compensate for our individual personal age related conventional memory capacity problems.)

After the presentation, all students – but one - leave the room to enter again, one by one for a 5 minutes individual oral presentation of a specific theme (se below) followed by a short individual discussion + Q&A.

After the last individual examination, individual marks are given.

Altogether examination lasts up to an hour per team.

For the individual examination, each student draws a theme randomly picked from the following list:

1. Demand and value creation
2. Market research & analysis
3. Budgeting and financing
4. Business law
5. Start-up strategy and business model
6. Action plan and time schedule

Recommendation #10: *don't forget that at the end of the course you have to individually present and defend a theme, randomly drawn from the above list – but your platform is a quality business plan and quality group performance throughout the project period*

Recommendations #11: *prepare a convincing presentation of your business case and of each of the six themes just before exams.* We will discuss how by the end of the course.

Also check your business plan and your presentation out with the learning objectives of this course. Here they are:

Learning Objectives, course 42435

A student who has met the objectives of the course will be able to:

- ✓ Identify business opportunities
- ✓ Develop business ideas (Opportunity-driven creativity)
- ✓ Develop business models
- ✓ Analyze markets for technological products and services
- ✓ Interview customers
- ✓ Analyze customer value creation
- ✓ Plan the establishment of a company (Business planning)
- ✓ Determine capital requirements
- ✓ Establish cash flow projection
- ✓ Establish budgets on profit/loss, assets/liabilities
- ✓ Calculate an equity investment
- ✓ Specify management competence profiles

If - after the course - you start considering in earnest if this venture is worth launching -

- once you have graduated, mind you! –

- then we – DTU teachers and admin - have achieved our goal!

Practical details

Exams deliverables: Business plan with annexes, hand outs etc. is submitted as PDF or WORD or EXCEL files – via mail-attachments, CD-ROMs or USB sticks.

No paper, please! Max. **6.500 words** Annexes can be added at your own discretion.

Deadline for submitting your business plan is Monday 26 May 2014, 12:00 noon to johe@dtu.dk. Reception will be confirmed by mail.

Exams: Monday 2 June and Tuesday 3 June from 08:00 a.m.. Details on location and schedule will follow. The exams plan will be uploaded to the course web site and broadcasted to everybody.

So don't worry: you will get it – or it will get you!!

Communications

A summary of each lecture will be broadcasted to the participants before the lecture is held. (So check your mailbox on Friday afternoons)

The CampusNet will be set up with proper rights to everybody to allow chat, file sharing etc.

All materials will be uploaded to the course web site and to CampusNet . So:

Recommandation #12: *check your mailbox before each lecture and get your stuff at CampusNet*

A lot of course related stuff is also available at the open site www.entrepreneur.dk

Looking forward to doing business with you



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