COLUMBIA UNIVERSITY
COLUMBIA BUSINESS SCHOOL
EXECUTIVE MBA PROGRAM

Launch Your Start Up
B7519

FOR BIDDING PURPOSES ONLY

PROFESSOR JACK M. KAPLAN

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COURSE DESCRIPTION:
This “hands-on” applied course focuses on the creation, evaluation, development and potential launch of a new business or social venture. For each new venture, key issues are addressed in a fashion highly consistent with other formal venture planning processes including: in-depth industry and market analysis, market validation, product or service design, value proposition, development of a sales and marketing (channel) model, the team (human capital), profit models, financing, legal and fundraising. Throughout the class you will continually seek to refine (a) your venture’s value proposition, and (b) all core elements of your business model based on instructor, visiting experts, and peer feedback.

To enroll in this class, it helps to have a “vetted” business or social venture concept prior to joining the class. A previously vetted venture concept includes ideas that have been worked on in earlier MBA or other graduate classes, presented in formal venture competitions, or formulated within formal venture creation program outside of University. You are allowed to join the class as part of a venture team (within or external to the class) who has been working on a new business idea prior to the class. It is entirely permissible to change projects (“pivot”) or join another peer team after the class has started. Working individually or preferably in teams (of no more than five), students spend the entire term developing an effective and comprehensive plan for a “real” venture concept, with proof of concept including customer-based market validation and early product/service prototypes. Students complete the class with a comprehensive new venture planning document, investor pitch, a minimal viable product, and validated business model.

New venture ideas must be something that the student(s) are passionate and are capable of near term execution. Throughout the semester, students will refine their venture opportunity into a written planning document and oral presentation ready to seek funding from appropriate sources and commence operations. Projects should reflect students’ genuine interest, but do not need to be tech-centric, venture capital-type projects or even “for profit” (many students have taken the class for a successful non-profit company). By the second week of class, all students are expected to solidify the venture concept they wish to pursue throughout the term or have joined another team.

New venture projects can be based upon students’ own ideas or, in some cases, other start-ups that have requested assistance from Columbia students. If a project is based upon a student’s idea, then unless a written agreement states to the contrary, the ownership of the idea and the work done during the semester is the property of the student(s) who had the original idea. All participants sign a non-disclosure agreement so we can engage in open discussions about each other’s venture
Course Assignments

1. Textbook

2. Case Analysis:
Prepare case analysis as appropriate using the case questions. Analysis should be 4-6 pages in length. Cases must be handled in the day they are discussed in class. You are to come to class prepared to discuss each case and contribute to the overall development of understanding of all class members. Some teams you may be asked to lead the opening discussion of the assigned case.

Case assignments can be submitted as a team of 2-5 students.

<table>
<thead>
<tr>
<th>Product #</th>
<th>Title</th>
<th>Case Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBS</td>
<td>Datamark</td>
<td>Opportunity Recognition, Market Analysis, Competitive Position</td>
</tr>
<tr>
<td>CBS Case ID: 200401</td>
<td>Doximity</td>
<td>Assess the financial opportunity, growth and valuation</td>
</tr>
</tbody>
</table>

3. Readings:

<table>
<thead>
<tr>
<th>HBR Product No.</th>
<th>Title</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>R0704</td>
<td>Finding Your Next Core Business</td>
<td>Zook</td>
</tr>
<tr>
<td>R00551</td>
<td>Knowing a Winning Business Idea</td>
<td>Chan Kim</td>
</tr>
<tr>
<td>9-807149</td>
<td>Common Angels</td>
<td>Applegate</td>
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<tr>
<td>F00401</td>
<td>Can you patent your business idea</td>
<td>Todd Dickinson</td>
</tr>
<tr>
<td>9-807-124</td>
<td>Technology transfer at Universities</td>
<td>Hamemesh</td>
</tr>
<tr>
<td>R1212x</td>
<td>How much is sweet equity worth</td>
<td>Marquis and Maegolis</td>
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</tbody>
</table>

Entrepreneur Agreements:
- Founders Agreement
- Incorporation Checklist
- Invention Assignment agreement

Listed on Canvas
To help develop the venture plan over the course of the class, some of the elements of the final paper will be due throughout the class. The following is a list of key dates for deliverables:

**Summary of Team Assignments:**

- Discuss and select team members for venture January 10
- Submit the worksheets 1 and 2 on canvas January 24
- Submit the 3 interviews with potential customers January 25
- Build the Canvass Model (9 sections) February 7
- First draft of Lean Launchpad canvas - students should take a first stab at filling out the model

- Submit the Datamark Case February 22
- Submit the Break-even analysis- see textbook for details March 6
- Submit the marketing section for your business venture March 6
- Class review of the Doximity Case (no written Assignment) February
- Submit the funding and P & L plan March 14
- Demonstrate Minimum Viable Product March 27

- Final “Investors’ oral Presentation April 17, 18
- Final venture project plan April 25

- Each team will submit their final power point presentation followed by a memo(5-7 pages) or word file containing the following:
  - Describe the legal entity for the venture, state incorporated, and reasons why.
  - Describe the stock offering, authorized versus issued, stock options and founders equity allocation
  - Describe the required financing needed for the first year of operation, with whom will you solicit, how, what type of security? And what terms do you anticipate?
  - Who will be your first-year hires, contractors, employees, compensation
Team Deliverables:

Interviews with 3 potential customers or partners for customer discovery. Due January 25

Summarize, on one-two pages, what you learned about your venture idea from interviews with at least three named (not anonymous) strangers. Provide one short summary paragraph per interview. Important interviews with people previously known by you can also be included. These interviews can and should include: potential customers (including, if applicable, purchase decision makers, distributors, store buyers and end-users), suppliers, investors, people in similar businesses, experts, etc.. Be prepared to present a 5 minute summary in class

Break-even analysis-see text book or class web site for details

Provide a “simple” breakeven analysis. Identify your economic unit of analysis (typically a single sale). Identify and list all of your fixed costs, including amortized capital expenses. Determine selling price, variable costs and the marginal contribution from each sale. Be certain to list all of your assumptions. Divide fixed costs by marginal contribution to determine break even. Calculate break even in terms of dollars and unit sales. After completing the analysis, assess and comment on the likelihood of your venture being profitable. Due March 6

Demonstrate a minimum Viable Product,-
Participants develop a minimum viable product that embodies the essential features of the product or service and the potential solution being solved. Due March 27

Evaluation and Course Work

Grades will be calculated using the following weights:

1. Final venture Plan Project 45%
2. Team Presentations 20%
3. Case analysis 20%
4. Class Participation 15%

Getting Started with your idea.

Early in the course, students will be invited to “pitch” the class on opportunities they wish to explore and “recruit” teams to work on the project. Each team will then work on the diagnostic assessment and presentation, with interim presentations as each section is drafted.

• Description of the opportunity
Final Group Project

1. The course has no midterm or final exam. Instead, a written evaluation of the venture selected and corresponding oral presentation is required.

Final delivery of plan, due April 8

- Each team will submit their final power point presentation followed by a memo containing the following:
- Describe the legal entity for the venture, state incorporated, and reasons why.
- Describe the stock offering, authorized versus issued, stock options and founders equity allocation
- Describe the required financing needed for the first year of operation, with whom will you solicit, how, what type of security? And what terms do you anticipate?
- Who will be your first-year hires, contractors, employees, compensation

Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Session #</th>
<th>Topics, Readings and Assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 10</td>
<td>1</td>
<td>Topics: Managing and Starting a Venture:</td>
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<tr>
<td></td>
<td></td>
<td>• Introduction and course outline, framework for new Ventures</td>
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<td></td>
<td>• Framework for evaluating opportunities, concept, product development, alpha/beta test, launch</td>
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<td></td>
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<td>• Window of Opportunity recognition</td>
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<td></td>
<td></td>
<td>• Customer discovery</td>
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<td></td>
<td></td>
<td>• Discuss your venture ideas and opportunities</td>
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<td></td>
<td></td>
<td><strong>Readings</strong>: “Entrepreneurship” Chapters 1 and 2</td>
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<td></td>
<td></td>
<td>“Knowing a Winning Business Idea when you see one”</td>
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<td><strong>Assignments:</strong></td>
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</table>
Please be prepared to discuss your team idea in class that describes the problem you are solving and a possible solution. Also indicate if you are looking for additional students to join your team.

**Topics: Opportunity Identification and Evaluation**

- Class will evaluate the first Venture Stratify. The idea, business model and growth,
- Building the Canvass Model (9 sections)
- Key activities
- Customers, Key Partners, Key resources, customer segments
- Value proposition, Channels, Cost structure, Revenue streams
- Pivot is not a failure

Guest Speaker: Laura Kornhauser, CEO Stratify

Stratify helps banks and insurers make better risk-based decisions. Stratify’s products allow companies to combine their institutional knowledge with powerful data tools. Importantly, Stratify has developed a way to detect and mitigate unwanted bias in its customers’ decision systems, something other advanced approaches have not been able to do effectively.

**Reading:**

**Assignments: Deliverable:**

Turn in Your worksheet 1, what is your Venture?
and worksheet 2, Is the Venture Right for You?
Be prepared to discuss your venture in class.

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### Jan 25 3

**Conducting Customer development, Market Analysis and Customer Validation and Canvass Model**

Guest Speakers: Paige Ross EMBA 2019 will discuss her venture FitFor Flex
Class Discussion on the discovery process, including interviews, research and canvas model in developing the venture “FitForFlex”

“Your favorite trainers’ workouts // broken down”

Prof. Kaplan will introduce the Datamark case a loyalty and gift card provider for the retail industry. This is Professor’s Kaplan third company that he started. Students will evaluate the venture and answer the case questions listed in the casebook. **Due Feb. 22**

Class review of the business components
- Verify the business model or pivot
- Customer segmentation and channels
- Benchmarking to the competition
- Preparing the pricing and sales strategy
- Does anyone have a sustainable competitive advantage?
- How does your product compete in this market? What are YOUR advantages? Do customers value these advantages?
- How might you design a strategy that leverages your advantages and navigates around your competitor’s advantages.

Read entrepreneurship chapter 4

**Assignments.**
- Selected teams will present their interview results
- Submit the 3 marketing interviews with potential partners on canvas

<table>
<thead>
<tr>
<th>Feb 7</th>
<th>4</th>
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<tbody>
<tr>
<td><strong>Topic:</strong> Conducting Customer development, Market Analysis and Customer Validation and Canvass Model:</td>
<td></td>
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<tr>
<td>• Selected teams will present their canvas model</td>
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<td>• <strong>Deliverable</strong> –</td>
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<td>• submit a draft of the canvass model. Showing the nine sections</td>
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<td>• Selected teams will present their canvas model</td>
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<td><strong>Guest Speaker:</strong></td>
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<td>Scott Smedresman, Partner, McCarter &amp; English</td>
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<td>IP Technology Transfer, Licensing and Patent Protection</td>
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His practice encompasses all aspects of patent law, including prosecution, portfolio management, strategic counseling, licensing and post-licensing compliance, litigation, and legislative and regulatory patent matters.

Class Discussion:

- Are you protected?
- Patent protection and cracking a patent
- Strategic alliances and licensing agreements
- The role of intellectual properties for the entrepreneur.
- Applying for patents.
- Copyrights, trade secrets, and trademarks.

Readings: “Entrepreneurship” Chapter 8
Can you patent your Business?

<table>
<thead>
<tr>
<th>Date</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>Feb 21, 22</td>
<td>David Olk EMBA 2010, after founding and running a large SaaS business day to day (Shop Keep); David sits on some great boards (Kickstarter, Vengo, Columbia University's Lang); and spend time at Columbia Business School as Entrepreneur in Residence. He also worked in M&amp;A (NASDAQ: IACI) and helped private equity firms buy companies (PWC). He is now helping students build more authentic professional relationships.</td>
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<td>Guest speaker ; Feb. 22 Julie Joseph EMBA 2018</td>
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Doximity was founded in 2011 as a networking platform for medical professionals. Since its initial launch, the company introduced a variety of new product offerings—including a career navigator and a curated medical newsfeed. In 2018, with one million members, the company sought to protect its market leadership
and high rate of growth. This case includes background on Doximity and its success to date and asks students to consider what its growth strategy should be going forward.

Case ID: 200401

Assignment Feb.22
Submit the Datamark case Please answer the questions listed on canvas for the case.

1. Is there a viable market opportunity demand for gift card and loyalty services today?
2. The President of Datamark has agreed to sell the company. Base on your revaluation of the business, (review P & L and Balance sheet,) Do you agree with this recommendation?
3. Determine the asking price or valuation to sell the venture. Explain
4. How would you communicate the offer to the management team? Before or after the deal?

Selected teams will present their canvas model 9 sections for class discussion
<table>
<thead>
<tr>
<th>Date</th>
<th>Session</th>
<th>Topics</th>
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<tbody>
<tr>
<td>March 6</td>
<td>Session 7</td>
<td>Attracting VC interest: Venture Financing V Sourcing Funds for your Venture</td>
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<td>Guest Speaker: Andrew Pusar, Partner Goodwin Proctor</td>
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<td></td>
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<td>VC’s look for three characteristics when analyzing a potential venture.</td>
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<tr>
<td></td>
<td></td>
<td>- Sizable market opportunities</td>
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<td>- Products and technologies that address unmet needs in innovative ways</td>
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<td>- Management groups with deep experience, strong management skills and build the team.</td>
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<td>- Sources of capital</td>
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<td>Selling stock to angles and investor</td>
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<td>March 13</td>
<td>8</td>
<td>Structuring the Venture Deal: Negotiations and Risk</td>
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<td></td>
<td>- Term sheets, Legal issues and shareholder rights</td>
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<td>- How do you evaluate the venture business model?</td>
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<td></td>
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<td>- What due diligence do you conduct?</td>
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<td></td>
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<td>- What financial analysis do you perform</td>
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<td>March 14</td>
<td>9</td>
<td>Setting Up the Management Team</td>
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<td></td>
<td></td>
<td>- Setting up the company - LLC, Sub-S, and</td>
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</table>
| March 27, April 17 | 10,11 | Topics: Preparing an Exit Strategy  
Guest Speaker: Joint Ventures – Someone wants’ out!  
- Roll-ups – economies of scale  
- VC Financing – Non-tangible assets  
Assignments: March 27  
Demonstrate a minimum Viable Product, - Participants develop a minimum viable product that embodies the essential features of the product or service and the potential solution being solves.  
Review for the final Pitch Presentation |
| April 18 | 12, | Topics: Networking, meet and network with class sponsors  
Final Class Presentations  
Panel of invited guests to review business plan oral presentations. Each team will be allowed a 15-minute Pitch for the project.  
- Each team will submit their final power point presentation followed by a memo containing the following: due May 4  
- Describe the legal entity for the venture, state incorporated, and reasons why.  
- Describe the stock offering, authorized versus issued, stock options and founders equity allocation |
| • Describe the required financing needed for the first year of operation, with whom will you solicit, how, what type of security? And what terms do you anticipate? |
| • Who will be your first-year hires, contractors, employees, compensation |

### ENTREPRENEUR REVIEWS

Please submit a one to two-page review of the entrepreneur guest speaker’s talk. Incorporate the readings into your review where appropriate. Reviews will be due the week after the talk. Reviews will be graded on a basis of 1-10.

**Questions to guide the process:**

1. How would you rate the business opportunities in the speaker’s company?

2. How would you describe the management entrepreneurship style?

3. How has the presentation enhanced your professional and/or personal growth?
Please note: Reviews will be accepted only in the class following the talk.

Note – Here is the assignment as it appears in the syllabus.

2. **Entrepreneur Reviews**

Submit a one to two page review of the guest speaker’s talk. (Please see syllabus last page for specific guidelines.) Reviews will be due the week after the talk. Reviews will be graded on a basis of 1-10.