



ENTREPRENEURIAL STRATEGY

(Course #: B8586)

COLUMBIA BUSINESS SCHOOL

SPRING 2019 (H2)

Class Schedule:

Tuesdays, 9:00 AM - 12:15 PM (Uris 332)

Thursdays, 5:45 PM - 9:00 PM (Warren 207)

Office Hours:

Tuesdays, 1:00 PM – 3:00 PM

(or by appointment)

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Teaching Assistants: TBD

ENTREPRENEURIAL STRATEGY

What is entrepreneurial strategy and who is this class for?

Strategy Formulation taught you how to identify a competitive advantage. But how do you create a competitive advantage when you don't have one—such as when you're starting out a new company or in a new market? How do you do it in the face of considerable uncertainty, with few resources, and cognizant of how much initial choices matter? Should one achieve it only through experimentation, or, if not, what is the role for planning?

This course provides a strategy framework for growth entrepreneurship. It is particularly focused on helping students *create* a substantiable competitive advantage and understand how to do so in the early uncertain stages of a startup. The class is meant for all students, not just entrepreneurs: while entrepreneurs and startups are the main actors of the entrepreneurial story, the skill of developing entrepreneurial strategies is critical for anyone who will lead and succeed in the innovation-driven economy of the future.

Students that might particularly benefit from it include students that

- (a) Are or will be entrepreneurs.
- (b) Plan to work at a startup.
- (c) Plan to invest in, acquire, or sell startups.
- (d) Will be a consultant around innovation or entrepreneurship to larger firms.
- (e) Will develop new product lines or novel technologies at larger companies.

In short, if you know the skills to start and grow businesses will matter your career, this class is probably for you.

What economic sectors does entrepreneurial strategy focus on?

We study how to create long-lasting companies with a strong competitive advantage in any sector. In many cases, innovation plays a central role in creating this opportunity. The class cases and examples include traditional venture-backed startups in the software and hardware spaces, more recent startups using technology to solve problems that are not obviously 'tech' such as emergency response and health delivery, and new companies that take changes in the technological landscape to create great companies with traditional products.

Participation, grades, and homework

In preparation and expectations, this class is no different than any other strategy class at Columbia. Students are expected to prepare cases, share your own perspective and experiences, and join the class discussion. Participation accounts for a large percentage of your grade (40%). Grades also include two group homework assignments (40%). The group homework assignments are graded and return before the next class and the perspectives

brought in. There is a final optional individual assignment which is usually the source of differentiation between an HP and H, and a 360-survey to give students an opportunity to call out group members that do not help with the group assignments.

Join the community!

Entrepreneurial Strategy is a new class, booming at many business schools. The CBS class of Entrepreneurial Strategy is part of a broader community pushing education on this topic at many business schools, including MIT, Berkeley, Stanford, Duke, Wharton, HBS, and others. Faculty in this community Entrepreneurial Strategy jointly share cases, ideas, and collaborate to improve the teaching expertise. There are also a large repository of readings, which are (right now) only available by enrolling in the class. If you want to have the materials at the forefront of thinking on strategy and entrepreneurship, this class would be for you.

New case! Kylie Cosmetics

This year, I am particularly excited about the new case for Class 1 on Kylie Cosmetics. Kylie Cosmetics (created by Kylie Jenner, and a fascinating entrepreneurial story) is one of the highest valued cosmetics companies in the world in just three years. How did they build this growth and why was it so successful? To what extent did new trends in technology, such as the emergence of Instagram and the role of social media influencers, allowed the company to potentiate its growth? Is the advantage of this company permanent over the long-term, or how can it move from the founder to the company? These questions and more will be an exciting discussion on our first day of class.

Final additional details

Teams. Teams are 3 to 5 students in size and should be formed by the end of the first class. All members of the team are expected to contribute to the homework. The teams are necessary only for the group homework.

Homework Due Date. All homework assignments are due at 9 AM the date before class.

Attendance. Students are expected to attend all classes. If you will miss a class, please let me know. Students missing more than two classes will be automatically failed (except of these are allowed by OSA rules).

Course Learning Modules

I. INTRODUCTION

Module	Cases	Homework
Class 1: Why do entrepreneurs make money? 1. Case: Kylie Cosmetics 2. The need for strategy in entrepreneurship	Kylie Cosmetics (CBS) (In development)	team setup
Class 2: Choose your identity 1. Case: BlazingDB 2. Choose your identity	BlazingDB (CBS)	Team Write-up <i>Pick 2 of 4</i>
Class 3: Choose your customer 1. Case: Lytro 2. Choose your customer	Lytro	Team Write-up <i>Pick 2 of 4</i>
Class 4: Choose your technology and competition 1. Choose your technology 2. Choose your competition		
Class 5: Entrepreneurial strategies 1. Case: RapidSOS 2. Choosing an entrepreneurial strategy: Value Chain, Disruption, Architecture, and Intellectual Property.	RapidSOS	Team Write-up <i>Pick 2 of 4</i>
Class 6: Acquisitions 1. In class activity: Crafting an acquisition strategy. 2. Case: Ministry of Supply 3. Entrepreneurial strategies for acquisition.	Acquisition Strategy Pitch Ministry of Supply	Team Presentation <i>Pick 2 of 4</i>

ENTREPRENEURIAL STRATEGY

READINGS AND PREP QUESTIONS

CLASS 1.

Readings

- Gans, J, and S. Stern. 2018. "Strategy for Start-Ups". *Harvard Business Review*.

CASE:

- Guzman, Jorge. 2019. "Kylie Cosmetics" Columbia CaseWorks. (in development)

Optional

- Porter, Michael. 1991. "What is Strategy?" *Harvard Business Review*
- Shah, Niraj, et al. 2018. "Create Something and Start Selling It". *Harvard Business Review*.
- Gans, J, and S. Stern. 2017. "Preface". *Entrepreneurial Strategy*.
- Gans, J, and S. Stern. 2017. "Chapter 1: Overview". *Entrepreneurial Strategy*.
- Gans, J, and S. Stern. 2017. "Chapter 2: Choice Matters". *Entrepreneurial Strategy*.
- Gans, J, and S. Stern. 2017. "Chapter 3: These Choices Matter". *Entrepreneurial Strategy*.

Class Prep Questions

- Why was Kylie Cosmetics successful?

CLASS 2.

Readings

- Gans, J. and S. Stern. 2018. "Choosing Your Identity," *Entrepreneurial Strategy*

CASE

- BlazingDB. Columbia Business School decision brief.

Optional

- Fazio, C, and J Guzman. 2018. "How to Locate a Startup"

Class Prep Questions

- How important is identity for the setup and evolution of a startup?
- How much is the identity of the startup shaped by the individualities and unique characteristics of the founder?
- How much is it shaped by location?

CLASS 3.

Readings

- Gans, J, and Stern, S. 2018. "Choosing Your Customer," *Entrepreneurial Strategy*, Chapter 5.

CASE:

- Ching, K., and S. Stern. 2015. "Lytro — Choices in 2013". MIT Sloan Case.

Class Prep Questions

- Was Lytro's new market focus a good idea? Why or why not?
- To what extent do you think the specific customer choice would matter for Lytro's performance?

CLASS 4.

- Gans, J. and S. Stern. 2018. "Choosing Your Technology," *Entrepreneurial Strategy*, Chapter 6.
- Gans, J., and S. Stern. 2018. "Choosing Your Competition" *Entrepreneurial Strategy*, Chapter 8.

Class Prep Questions

- Many startups are created around new ideas or technologies that did not exist before. How can founders consider the right technologies? When do they know if a new technology is ready for "prime time"?
- How does competition influence the way a startup develops and positions itself in the market?

CLASS 5.

Four Integrated Entrepreneurial Strategies: Value Chain, Disruption, Architecture, and Intellectual Property

Readings

- Gans, J., and S. Stern. 2018. "These Choices Matter Together" *Entrepreneurial Strategy*, Chapter 8.

CASE:

- Cook, D, and S Stern. 2016. "RapidSOS" MIT Sloan Case.

Optional

- Gans, J., and S. Stern. 2018. "The Intellectual Property Strategy" *Entrepreneurial Strategy*, Chapter 9.
- Gans, J., and S. Stern. 2018. "The Disruption Strategy" *Entrepreneurial Strategy*, Chapter 10.
- Gans, J., and S. Stern. 2018. "The Value Chain Strategy" *Entrepreneurial Strategy*, Chapter 11.

- Gans, J., and S. Stern. 2018. "The Architectural Strategy" *Entrepreneurial Strategy*, Chapter 12.

Class Prep Questions

- Consider the four choices faced by RapidSOS (at the end of the case), is the choice of which option is best obvious?
- Why or why not?
- How should the founders deal with this uncertainty?
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CLASS 6.

Entrepreneurial strategies for acquisition

Readings

- Guzman, Jorge. 2019. "Entrepreneurial Strategies for Acquisition". Columbia Business School teaching note.

CASE:

- Stern, S, and Jane Wu. "Ministry of Supply". MIT Sloan Case.

Class Prep Questions

- What should I Heart Jane do going forward?
- How can I Hearth Jane use experimentation and learning to do so?
- *Acquisitions:* Consider the options founders face for creating a successful startup, is acquisition a central option, or just something that occurs?