

Syllabus

Technology-based Entrepreneurship (2 credits)

Instructor: Pál Danyi, PhD (pal@danyi.net, +36-30 222-6866)

- **Credits:** 2 credits
- **Term:** 2017-2018 Spring
- **Course level:** MSc in Technology Management and Innovation
- **Prerequisites:** no
- **Class meets:** April 17, 24 May 14, 16, 30, June 4, 6, 11 (6-8:30 pm)
- **Office hours:** before and after each class: 5:30-6 pm, 8:30-9m

1. Course description

The objective of this course is to equip students with analytical frameworks and tools by which they will be able to design, launch and manage technology-related ventures with high growth potential. Students who successfully complete the course will have hands-on experience in generating business ideas, developing and implementing plans.

MAIN TOPICS

- The present entrepreneurial landscape in IT
- The founders and founding team, the importance of leadership
- Idea generation, opportunity recognition, and idea screening
- Preparing business models and plans
- The Lean Startup philosophy and methodology
- The importance of commercialization
- Sales and marketing as the venture and the market evolves
- Financing new ventures
- Managing growth
- Exit strategy and options

The class sessions will be a combination interactive lectures, discussions and student presentations. Interactive lectures will be given by the instructors and guest speakers selected according to the relevance of their entrepreneurial experience in building fast-growing international and local businesses as well as investing in such businesses.

Lecture sessions will be opened by the instructor asking students to briefly summarize a recent article on entrepreneurs and their ventures, outlining the problem that the case addresses, describe

the core points of the readings, and — most importantly — offer an assessment and analysis of the venture’s strong and potential weak points.

Guest speakers will present their experiences in interactive lectures. Students will have the opportunity to ask questions and engage in a dialogue with the guest.

Class participation is a central part of this course and will affect your grade as well as your own and other students’ experience in the course. Group work for class preparation is encouraged.

Incubator visits: As part of the course, visits are planned to two or three incubators in Budapest which are famous for supporting early-stage startup projects. The class will have the opportunity of listening pitches of new and experienced startups.

Project work: Each student has to participate in a **venture development project** (groups of 4 students). Projects are to be launched with idea presentations in Session 4, and teams have to present their final venture development plans in Session 8.

2. Learning outcomes

This course is a practical guide to the *entrepreneurial process* with a focus on the creation of new high-growth ventures. In addition to a structured analysis the process and requirements of creating and growing a business, the course will build on personal stories of successful entrepreneurs who will give their views on best practices, lessons learned etc.

It is a core introductory course and presents various frameworks and tools to help aspiring entrepreneurs (and also “*intrapreneurs*” at established companies) better evaluate their potential market opportunity, prepare a financial model and business plan, as well as package their opportunity for presentation to top management and/or investors. In addition, the course will provide some insight into the particular management challenges facing startups: team issues, equity and compensation, managing growth, etc. Special attention will be paid to ways of commercialization, building effective sales and marketing strategies, managing change when markets change.

Expected outcomes:

- understanding the importance of entrepreneurship
- better self-evaluation as a potential entrepreneur
- improved capabilities for recognizing and evaluating opportunities
- better understanding of the investors’ perspective
- understanding and capability of using business planning structures and tools
- seeing the logic of business growth and the complete lifecycle of the venture
- becoming better team player
- improved capabilities for selling ideas and convincing investors
- efficient communication of ideas and plans
- objective evaluation of other people’s venture ideas and business plans

3. Reading list

AirBnB case study (HBR) – will be available for the course

Bill Aulet (MIT): Disciplined Entrepreneurship, Wiley, 2013

Recommended readings:

- Eric Ries: The Lean Startup, 2011 (also in HU)
- Peter Thiel: Zero to One: Notes on startups..., 2014
- Osterwalder & Y. Pigneur: Business Model Generation, 2010 (also in HU)
- S. Blank & B. Dorf: The Startup Owner’s Manual, 2012
- J. C. Parkin: F**ck It: Do what you love. 2016 (also in HU)
- Rob Fitzpatrick: The Mom Test, 2014
- Alberto Savoia: Pretotype It, 2011 (also in HU)
- Pitching hacks: how to pitch investors, by Venture Hacks, 2008
- Brad Feld: Startup Communities: Building an Entrepreneurial Ecosystem in your City, 2012

4. Assessment

The following is the grading scheme:

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|-------------------------------------|-----|
| Class preparation and participation | 30% |
| Venture idea presentation | 20% |
| Business plan pitch presentation | 50% |

Class participation

Each student is expected to participate in the class discussions. The quality of the student’s contribution is graded on a continuous basis. It should be obvious that if students are not present, due to unexcused or unjustified circumstances, their contribution will be nil. Since some absences are unavoidable, please notify the instructor of such absences, prior to class. However, attendance at your scheduled research and project presentations is mandatory. The frequency and quality of class participation will impact the grade. However, judging frequency and quality relative to others in the class is discretionary, not something that can be stated with precision in advance.

Venture idea presentation (one pager + 2 min pitch)

Teams will have the assignment of summarizing their business concept by Session 3. In addition, they will give a 2 minute pitch of their ideas and project rationale.

Business plan pitch presentation (10 min pitch)

The course will conclude with a 10-minute pitch where the Teams summarize all the important elements of their venture development project and present it in front of a judging panel. The panel, consisting of investors and entrepreneurs, will give feedbacks on the pitch presentations based on which scores will be assigned.

Final grading:

| Grade | Assessment | Points |
|-----------|---------------------|----------------|
| A | Outstanding | 100-88% |
| A- | Excellent | 87-76% |
| B+ | Good | 75-64% |
| B | Fair | 63-52% |
| B- | Satisfactory | 51-46% |
| C | Minimal pass | 45-40% |
| F | Fail | 39- 0% |

5. Course schedule and materials for each session

Draft: The order of guests and fieldworks may change.

| SESSIONS | GUESTS AND FIELDWORK | READINGS AND VIDEOS |
|---|---|--|
| Session 1. THE ENTREPRENEUR April 17, 2018 Introduction: course structure and requirements Meet the entrepreneur: motivation, personality, etc. | Guest: TBD | Moodle / Session 1 Video with Bill Aulet: https://www.youtube.com/watch?v=zWqGX71Iws (before class) |
| Session 2. MARKET NEED April 24, 2018 Business Concept Map & foundation process Market need analysis Project work starts. | Guest: Janos Vecsenyi, Professor Emeritus, BME, Corvinus University | Moodle / Session 2 Video with Alexander Osterwalder: http://www.youtube.com/watch?v=RzkdJiax6Tw (before class) |
| Session 3. SOLUTION May 14, 2018 | Visit: DEMOLA Budapest | Moodle / Session 3 |

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|--|---|--|
| <p>Get to know an incubator and co-working space MVP Idea validation</p> | | <p>Video with Eric Ries: http://www.youtube.com/watch?v=fEvKo90qBns (before class)</p> |
| <p>Session 4. REVENUE May 16, 2018</p> <p>Two- minute pitch by each Team. Product and business development framework: revenue channels, pricing, growth hacking Aulet's MVBP Intrapreneurship</p> | <p>Visit: CEU iLab</p> | <p>Moodle / Session 4 Video with Marc Andreessen: https://www.youtube.com/watch?v=NEOR0AJszIE (before class)</p> |
| <p>Session 5. FINANCIALS May 30, 2018</p> <p>Venture capital Financing options and dilemmas Investment concepts and criteria</p> | <p>Guest: TBD</p> | <p>Moodle / Session 5</p> |
| <p>Session 6. PROCESSES June 4, 2018</p> <p>How to communicate: Preparations for a pitch Startup ecosystem: lessons from Silicon Valley</p> | <p>Visit to Kitchen Budapest innovation lab</p> | <p>Moodle / Session 6 How to pitch https://www.youtube.com/watch?v=f-m8G9DMTZQ (before class)</p> |
| <p>Session 7. TEAM June 6, 2018</p> <p>Pitching exercise How does an innovation lab help startups</p> | <p>Guest: TBD</p> | <p>Moodle / Session 7</p> |
| <p>Session 8. PITCH EVENT June 11, 2018</p> <p>Final venture development plan presentations Summary and lessons learned</p> | <p>Invited panelists</p> | <p>Moodle / Session 8</p> |

6. Brief bio of the instructor

Pál DANYI, PhD,



Positions and responsibilities

- Since 1995 Associate Professor of Information Management and Entrepreneurship (Budapest University of Technology and Economics, BME)
- Since 2013: Managing Director and Founder of Dapner Solutions Ltd.
- 2015: Director of Innovation at Eotvos Lorand University
- Since 2008: Adjunct Professor of Information Management, CEU Business School
- 2011-12 Head of CRM Shared Service Center (Deutsche Telekom-Magyar Telekom)
- 2003-2011 Head of Technology Strategy, Magyar Telekom
- 1997-2003 Ernst & Young, Senior Manager, Head of Technology and Security Risk Services Department, 2 years (1999-2001) in Silicon Valley and San Francisco
- 1995-96 Fulbright Scholar at State University of New York (SUNY) at Albany
- 1993-1995 Assistant Professor of Information Management, BME

Education and degrees

- 1994 Candidate of Science, Hungarian Academy of Sciences
- 1988-1993 PhD in Computer Science, Computer and Automation Institute, Hungarian Academy of Sciences
- 1984-1988 MSc in Electrical Engineering, Budapest University of Technology and Economics (BME)