ENTR 455/655: Startup eXperience

Faculty: Vince DiFelice  
Assistant Professor of Practice

Email: vincentd@udel.edu

Office hours: by appointment

Class meetings: Tuesdays, 6:00pm to 9:00pm

Location: 132 East Delaware Ave., Suite 100 (Venture Development Center)

Course Description

This course provides a real-world, hands-on learning experience in which you will attempt to conceive, validate, and launch a high potential venture. We will spend class time discussing a repeatable process for turning great ideas into great companies and covering core topics such as customer development, unique value, and business models. As we discuss these topics you will be taking your ideas outside the building by talking to prospective customers, partners, and competitors. Your efforts will be guided by course faculty but you can expect to experience large measures of chaos and uncertainty as you learn about how startups actually work.

Learning Objectives

By the end of the course, you will have learned how to: (1) use a business model to brainstorm the essential components for a new venture, (2) use customer development to figure out if anyone other than you actually wants your solution, and (3) iterate toward the creation of a viable solution. You will also improve your communication skills, gain an understanding of different types of startups and what you’ll need to accomplish before seeking funding, and grow your personal network of connections.

Readings

All required readings for the course will be provided by the Horn Program in Entrepreneurship or freely available.

As appropriate, additional (and optional) reading will be suggested.
Team Composition & Dynamics

Solo-preneurship reduces the already long odds facing startups. Therefore, this course is team based. Course faculty will NOT make assignments to teams. Rather, you will have the opportunity to get to know other students at a mixer, hear their personal and idea pitches, and then decide with whom you would like to work. Teams will typically include 3-4 people.

*Teams with complementary skills are desirable; however, all members will serve as part of the “customer development team.” It is up to you to decide how to allocate work within your team. If the team becomes dysfunctional or one of your teammates is not pulling his/her weight, please approach course faculty. Do NOT wait until the end of the semester to raise team-related issues.*

Intellectual Property

Ownership of IP.
You own any intellectual property (i.e., patents, hardware, algorithms, copyrights) you brought to the course. IP developed through the process of business model testing and customer development is shared equally among the members of the team (unless the team agrees to an alternative sharing agreement prior to the collaborative development of the IP). If the team is working with University of Delaware owned IP (i.e., research being conducted by one of the team members or a UD patent), you MUST check with the University's Technology Transfer Office to better understand licensing issues.

Concerns about idea sharing.
If you feel your idea may become real, you should discuss intellectual property rights with your team from the beginning. If you can’t come to agreement with the team, you will need to join another team, pick another project, or drop the course.

Non-disclosures.
This is an open class. There are no non-disclosures among students, faculty, or mentors. Please keep in mind that ideas are best viewed as liabilities, rather than assets, because there are significant costs associated with pursuing them (in terms of time & money). Also, initial ideas seldom prove successful; most companies succeed because the process of learning, discovery, and execution shapes an initial idea that is mostly wrong into something that people actually want to use. This process requires willingness to share your ideas openly with peers and others.

Class Roadmap

ENTR455/655: Startup eXperience serves as the capstone course for the undergraduate major in entrepreneurship (ENTI) and serves as a required course for MS-ENTD graduate students. As such, the course is demanding.
The course is 14 weeks long, kicking off with team formation and ending with a “Pitch Day” which serve as the final exam where teams will have an opportunity to present their startup’s development process. There will be no final during finals week. Pitch day precedes finals week.

While the majority of your time this semester will be spent developing your own ventures out of the building and talking to potential customers/partners, there will be required classroom time and a curriculum to help you develop a commercially viable business model. All of the teams will meet as a group once each week on Tuesdays from 6 to 9pm.

These classes will focus on business model development and will leverage the principles and processes of a repeatable methodology used to turn great ideas into great opportunities (Evidence Based Entrepreneurship methodology). Each class will address a different element of your business model, helping you think through the strategy you believe will be most effective for your particular venture, design tests to (in)validate that these hypotheses are correct, and then iterate (or pivot) as appropriate.

Introduction

ENTR455/655: Startup eXperience will heavily leverage the Evidence Based Entrepreneurship methodology, pushing teams to get out and talk to customers and quickly iterate and pivot based on the insights gleaned.

What you **will be** taught:

ENTR455/655: Startup eXperience focuses on the process of clearly formulating the business aspects of a startup vision and validating it. Initially, all you will have is a vision for a startup, your **startup vision**.

You will learn to use the Business Model Canvas (BMC) as a tool to succinctly represent the key business components of your startup vision, such as, who are your customers, what value will they get from your startup, what your revenues will look like, etc. (there are nine elements to the BMC).

You will also learn Customer Development, which is the process we will use for designing, testing, and evaluating your startup vision.

In addition you will develop two skills that are key for entrepreneurs: interviewing customers and presenting your ideas.

Preparing your weekly presentations and incorporating the feedback you will receive will help you sharpen your presentation skills. Finally, the experience of working in a team under the pressures typical of startup will help you understand your own strengths and weaknesses when collaborating with others.

**It is important that you understand what you will not be taught in this class.**

You will not be taught to write a detailed business plan; there are other classes at UD that focus on that. In our view, a business plan is something you can write after you have gone through the Customer Development process we teach in ENTR455/655: Startup eXperience.
The class is not about finding problems for a pre-made solution. That means you will probably be disappointed if you already have a technology gadget, solution in mind and are looking to build a startup around the technology gadget, solution.

In ENTR455/655: Startup eXperience you may start with one idea but it will most likely change and you will have to learn to be flexible.

The Process:

ENTR455/655: Startup eXperience teams go through the Evidence Based Entrepreneurship methodology. This semester, you will be getting your hands dirty talking to customers, partners, and competitors, as you encounter the chaos and uncertainty of how a startup actually works. You’ll work with your team to learn how to turn a great idea into a great company. You’ll learn how to use a business model to brainstorm each part of a company and customer development to get out of the building to see whether anyone other than you would want/ use your product.

Finally, based on the customer and market feedback you gather, you will use agile development to rapidly iterate solution to build something customers would actually use and buy.

Each student will be expected to conduct 1 interview per week. Each week will be a new adventure outside the classroom as you test each part of your business model and then share the hard earned knowledge with the other student teams.

A note on culture:

Startups communicate much differently than inside a university or a large company. It is likely dramatically different from the culture most of you are familiar with. At times it can feel curt and impersonal, but in reality is focused and oriented to create immediate action in time-and cash-constrained environments. We have limited time and we will push, challenge, and question you in the hope you will quickly learn. We will be direct, open, and tough – just like the real world. We hope you can recognize that these comments aren’t personal, but part of the process.

We also expect you to question us, challenge our point of view if you disagree, and engage in a real dialog. This approach may seem harsh or abrupt, but it is all part of our wanting you to learn to challenge yourselves quickly and objectively, and to appreciate that as entrepreneurs you need to learn and evolve faster than you ever imagined possible.

Success Factors:

Your success in ENTR455/655: Startup eXperience will depend on hard work and a recognition of:

There are no facts inside your dorm, apartment, or office so get the heck outside
Your idea/invention/solution/product is not a company; it’s one of the building blocks
We use the Business Model Canvas to articulate our hypotheses
We use customer development to test those hypotheses
We use the Business Model Canvas to keep track of what we learned
We expect that many of our initial hypotheses are wrong
Iterations and pivots are the expectation

A mindset of hypotheses testing, not execution
Active participation by all team members
All of you are held accountable for your team performance
High-speed pace

Most teams average >50 customer interviews (not including focus groups and surveys). Face-to-face is the standard, though Skype is acceptable if travel/time prohibits

**Regarding interviews and safety, if your safety is at risk in any way, do not interview.** Your safety, everyone’s safety, is the ultimate priority. Do not sacrifice your safety to interview. Choose to 1) interview via a video conferencing platform (i.e. Skype) or 2) cancel the interview and arrange an alternative interview the does not present an unsafe situation. **If your safety is in question, do not interview.** In such a situation, please contact the instructor at the earliest opportunity. We will then together arrange make up work to substitute for points lost due to an incomplete interview.

**Deliverables**

Students will be provided a “Weekly Assignment” document. Weekly deliverables will detailed in this document and provided via email after the conclusion of each class.

**Grading**

Your success in ENTR455/655: Startup eXperience is not dependent on having a successful startup. Given that most startups fail, it would be unreasonable to expect that everyone in the class will end with a validated startup vision. **Since the class is about learning a methodology for startups, success in ENTR455/655: Startup eXperience is measured in terms of the quality and quantity of work done and getting out of the building.**

<table>
<thead>
<tr>
<th>Your grade is composed of individual and team components as follows:</th>
<th>Points</th>
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<tbody>
<tr>
<td><strong>Individual</strong>&lt;br&gt;Number of interviews completed and analyzed</td>
<td>20</td>
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<tr>
<td>quizzes</td>
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<tr>
<td>1:1 feedback</td>
<td>20</td>
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<td><strong>Total</strong></td>
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<td><strong>Team</strong>&lt;br&gt;Number of interviews completed and analyzed</td>
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<tr>
<td>BMC presentation</td>
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<tr>
<td>Weekly presentations</td>
<td>20</td>
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<td>Pitch Day Presentation</td>
<td>10</td>
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<tr>
<td>Team Partner Grading</td>
<td>5</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>55</strong></td>
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| 100 Points = 100%                                             |        |

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<thead>
<tr>
<th>Cumulative percentage</th>
<th>Final Grade</th>
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<th>Final Grade</th>
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<td>93-100%</td>
<td>A</td>
<td>77-79%</td>
<td>C+</td>
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**Individual Grades**

*Number of interviews completed and analyzed:* 1 interview per team member x 2 points, over the course of 10 weeks).

**Quizzes:** there will be quizzes on the lectures, reading assigned, and videos assigned.

**1:1 Feedback:** Each week, half of the class will give a presentation to an audience comprised of the remaining half of the class. In the same calendar week, the non-presenting half of the class, must schedule one-on-one mandatory Office Hours with faculty (full team with instructor). During this session, the team will meet with the instructor to work to synthesize insights from the data they’ve collected in customer interviews. Each team member’s performance that week will be judged. There are 5 weekly 1:1 Feedback sessions, each worth 4 points.

**Team Grades**

*Number of interviews completed and analyzed:* By the end of the semester, each team will be expected to conduct customer interviews ranging from 20 per team (if two member teams) to 40 per team (if 4 member teams) (1 point each week per team, if weekly team requirement met, X 10 weeks)

**BMC presentations:** Over the course of the semester, each team will make 5 presentations. These include a brief presentation that your team will prepare on their startup vision as represented by their BMC. Each team will present their BMC five times. 2 points x each BMC presentation.

**Weekly Team Presentations:** there are 5 weekly presentations, each worth 4 points.

*If the number of interviews logged for a certain week is less than the number required your team will not be allowed to present and will receive a grade of zero for that presentation.*

The format for each presentation, including specific slides, is spelled out in the “Weekly Assignment” document. You are to keep you presentations to 10 minutes and should practice beforehand. In addition, all team members are expected to present (it is up to you whether more than one member presents at a given date, but all members are expected to present equally throughout the semester).

1 pt = Follows format (required slides)
3 pts = Quality of Customer Interviews, addressing instructor feedback from previous presentations, and presentation-specific requirements indicated in advance.

*Quality of customer interviews:* interviews need to provide insights, details about the interview, and proper thumbs up, down, or neutral for the various hypotheses tested in the interview. The only customer interviews that count are the ones that have been emailed to the instructor by the same deadline as the presentation: Tuesday 5:59pm.

*Addressing instructor feedback from previous presentations:* requires the group to keep track of instructor feedback in prior presentations and address the issues raised.

*Presentation-specific requirements indicated in advance:* refers to specific request to add slides or information in the presentations. These requests are indicated in the “Weekly Assignment” document and in class announcements.

*Pitch Day Presentations:* are on the last class day. Here your team will discuss your startup vision, what you discovered using the customer development process and the lessons you have learned. Further direction will be provided beforehand. Grading is based on:

- Follows prescribed format = 2pt
- Covers lessons learned = 6pt
- Time management = 2 pt

*Team Partner Grading:* teams will be provided a Partner Grading Sheet at the conclusion of the course work.

**Extra Credit**

Interviews, interviews, interviews! Per team member only. Not per team. Exceed the number of required completed and analyzed interviews. One additional point for every 4 interviews exceeding the requirement.

**Advice for High Performance**

Conduct customer interviews each week. Each week, complete and analyze interviews with your team. Each week, review your business model with your team. Iterate based on analysis.

**Course Policies**

Late assignments WILL NOT be accepted. If you are not in class on the day an assignment is distributed, YOU are responsible to find out what you missed and complete the assignment on time. There will be no exceptions to this.

Be present and punctual. Your future customers, partners, investors, mentors, advisors and board members will not tolerate otherwise. Best to start now.

Be prepared, be awake, be willing to engage and sometimes lead.

Changes in course content or schedule may be made during the semester. Changes will be emailed to the class list as applicable.
Cherish diverse perspectives, take the risk of sharing your own, conflict in the spirit of learning.

Any person who may require alternative instructional and/or evaluative procedures due to a disability should feel free to discuss these needs with the professor so that appropriate arrangements can be made.

Academic honesty is essential to preserve the integrity and excellence of the University of Delaware education. Cheating on projects or exams, or plagiarism or written or visual material may result in dismissal from the University.

Course Schedule

Tuesdays, 6:00pm to 9:00pm. Beginning Tuesday, August 29 through to the end of the semester as per the approved, UD, 2017-2018 Academic Year Calendar