

Entrepreneurship & Private Equity – NBA 5640

Course Syllabus

Fall 2008 – First Half

Professors: David J. BenDaniel & L. Ola Bengtsson Class: Tuesday & Thursday Office:
341 Sage Hall Room: B-09 Sage Hall Phone: (607) 255-4220
& (607) 254-8807 Time: 11:55 am – 1:10 pm

Course Description

The lectures and cases of this course will be in the first half of the semester. They will focus on the following topics: business plan development for high-growth businesses, venture capital, alternatives for financing, valuation of closely-held businesses, buying and selling of private businesses, introduction to leverage buyouts, chronology of initial public offerings, introduction to mergers and acquisitions of private businesses, and distressed business valuation. A business plan will be required, prepared by teams. A preliminary proposal will be reviewed by consultants at the end of the first half and the final version of the plan will be due later in the semester.

Course Objectives

1. To provide the opportunity to write a business plan for a high-growth business;
2. To provide an overview of entrepreneurship and related private equity activities to help students in their personal evaluation of their own skills, talents, and career potential.

Text

NBA 564/300 Business Planning Guide (Required purchase from campus bookstore)

High Tech Startup (Optional readings for those teams interested in technical businesses)

Business Plan

There will be a team business plan. Each team will be required to develop a plan for a high growth business. This plan should be presented in the general form recommended and discussed in the Business Planning Guide. A preliminary proposal will be handed in on **October 15th**, with presentations taking place on **October 17th**. The final business plan will be handed in on **December 1st**, with presentations taking place **December 2nd thru December 4th**.

The only restriction on the business plan is that the project must be feasible for your management team, e.g., the project should be something you would freely consider undertaking. The business should have realistic financial risk and have appropriate upside potential. It is expected that some students will actually attempt to start up their business when they complete this course.

Important Release Notification: The business plans produced for NBA 5640 are meant to be for actual businesses, not simply class projects. Professor BenDaniel will submit certain plans to potential investors, but only with permission of the business team.

Team Formulation

Teams must be formed by **September 16th**. Experience has shown that the most effective team size is four persons. Depending on the project, teams larger or smaller may be acceptable, but will require permission from Professor BenDaniel. *Teams may change at any time for any reason during the semester, but you must be a member of a team.* Please submit team changes as they occur to the T.A. coordinator's mail folder.

T.A. & Library Support

Teaching Assistants will be available by appointment.

Business plans from previous years are available in the business school library. They can be a valuable resource in the creation and design of your plan. Information used from these plans must be appropriately cited in your business plan.

Important Deadlines for Business Plans

September 16 th	Business plan team list due.
September 25 th	Business plan idea due.
October 15 th	Written preliminary proposal for the business plans due - (4 copies) Due by 9:00 A.M. in 304 Sage Hall
October 17 th	Oral presentations of preliminary proposal.
December 1 st	Written final business plans due - (4 copies) Due by 9:00 A.M. in 304 Sage Hall
December 2 nd – 4 th	Oral presentations of final business plans

Spreadsheet Programs

All students are expected to be able to use one of the spreadsheet programs available. The preferred system for the course is Excel with @Risk. However, any system with which you feel comfortable is acceptable.

Assignments & Grading

1. All material should be typewritten or neatly written.
2. A number of "mini-reports" on cases will be required. These will usually consist of a one-page summary giving your consulting advice on the case at hand.
3. The grading in the course is determined by several factors.

- a. Assignments and individual participation in class (30%)
 - b. Mid-term preliminary proposal and presentations (30%)
 - c. Written business plan and final business plan presentations (40%)
4. Assignments are due before class on the date indicated. If you have to miss the class, the assignment must be emailed to Nancy Bell, nch5@cornell.edu.

Office Hours

Professor BenDaniel will be happy to meet with students on a group or individual basis during the term. His office hours are 8 a.m. until 11:30 a.m. on Wednesdays. Appointments are suggested.

Guests' Receptions & Meals

We have a number of guests scheduled. Class members will be offered the opportunity to attend luncheons with the guest speakers.

To attend these special luncheons, **you will need to e-mail Nancy Bell at nch5@cornell.edu.** You will be assigned to a luncheon based on your preference. If you cannot attend a luncheon for which you have been assigned, **you must cancel 2 days in advance.** Appropriate business attire is required.

**Entrepreneurship and Private Equity
Assignment Sheet**

(Subject to Change!)

- August 28th** **Introduction**
Class lecture by: Professor David BenDaniel
- September 2nd** **Management & Organization of High Growth Businesses**
Class lecture by: Professor David BenDaniel
- September 4th** **Infrastructure of High Growth Businesses** *Last Day to Add/Drop*
Class lecture by: Professor David BenDaniel
*Familiarize yourself with the EntreWorld website, which can be accessed through
Blackboard – External Links*
- September 9th** **Entrepreneurship & Private Equity - Finance** *Team Lists Due*
Class lecture by: Professor Ola Bengtsson
- September 10th** **How to Read Financial Statements** *7:30 PM – B-09 Sage Hall – optional class*
Class lecture by: Professor John Nesheim
- September 11th** **Entrepreneurship & Private Equity - Finance**
Class lecture by: Professor Ola Bengtsson
- September 16th** **Valuation of High Growth Businesses**
Read: “Valuation of Closely Held Businesses”, prior to class
Class lecture by: Professor David BenDaniel
- September 18th** **Mark Olive Introduction – Negotiation** *Business Idea Due*
Read: Mark Olive Case, prior to class; bring copy of case financials to class.
Class lecture by: Professor David BenDaniel
*This will be the first of two sessions on the Mark Olive Case on the purchase of a
business. The class will be divided into Mark Olive/Jadwin teams and assigned to
negotiate price and terms for the purchase of Jadwin Precision Products.*
- September 23rd** **Mark Olive Conclusion**
Required: A write-up of Mark Olive negotiation results.
Class lecture by: Professor David BenDaniel

- September 25th** **ETL Case**
 Read: ETL case, prior to class
 Required: A one-page write-up (to be handed in) discussing your recommendation on what Kim Davis of Weiss, Peck, Greer should do.
 Guest: Richard Thaler, who was at the time of the case, was the attorney for ETL
- September 30th** **Advice from an Experienced Board Member**
 Guest: Frank Zenie, Consultant
- October 2nd** **Champlain Capital**
 Guest: Pierre Simard, Partner, Champlain Capital
- October 7th** **Kidd & Company**
 Guest: Andrew Lipman, Partner, Kidd & Company
- October 9th** *Class Cancelled*
- October 15th** **Hard Copy Written Plan Proposal Due** *Preliminary Business Plans Due!*
 By 9 am to Nancy Bell in 304 Sage Hall (4 copies)
- October 16th** **Course Summary**
 Class lecture by: Professor David BenDaniel
- October 17th** **Preliminary Business Plan Proposal Presentations**
 8:00 AM - 6:00 PM – ROOM 333 SAGE HALL
 Required: A presentation of the key questions and issues to be addressed in the final business plan
 These talks will be run at 20-minute intervals. The time period includes --
 15 minutes for presentation
 3 minutes for questions
 2 minutes for the transfer of groups
- December 1st** **Written Final Business Plan Due** *Business Plans Due!*
 By 9 am to Nancy Bell in 304 Sage Hall (4 copies)
- December 2nd – 4th** **BUSINESS PLAN PRESENTATIONS**
 8:00 AM - 6:00 PM – ROOM 333 SAGE HALL
 Required: A final business plan presentation based on the formal business plan
 These talks will be run at 30-minute intervals. The time period includes --
 20 minutes for presentation
 8 minutes for questions

2 minutes for the transfer of groups

Welcome to *Entrepreneurship and Private Equity!*

Attached you will find a registration form for the course. Please fill this form out and return it immediately in class. This will enable the TAs for the course to compile an information bank to help you form business teams.

Attached is a schedule of the course. If you have any questions, on the content of the course, I will be available on Wednesday, September 3rd in my office from 8:30 – 11:30 am.

In order to help me get to know you better, please write up a 2-page paper on the following questions, to be handed in at the beginning of class on September 9th.

1. What are your primary objectives after finishing school? (career, personal)
2. Would you expect these to change over time? If so, how?
3. What do you see as the major assets you now have to pursue a possible entrepreneurship or private equity investment career? What do you need to develop?
4. What high growth opportunity appears most attractive to you at present?

David J. BenDaniel
Don & Margi Berens Professor of Entrepreneurship

Registration

Entrepreneurship & Private Equity – NBA 5640

Name _____

Cornell ID _____ E-mail/Net ID _____

Campus Address _____

Campus Phone Number _____ Best time to call _____

Course

NBA 5640 - 1:25 – 2:40 pm

MBA I

MBA II

12-Month

Other _____

What other business courses have you taken? When and where did you take them? _____

What encouraged you to sign up for entrepreneurship? _____

How did you hear about the course? _____

What, if any, entrepreneurial experience have you had? _____
