

BSM930 ENTREPRENEURIAL STRATEGIES

Academic Year 2012/13

Number of Aston Credits: 15

Number of ECTS Credits: 7.5

Staff Member Responsible for the Module:

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Pre-requisites for the module:

None

Mode of Attendance:

On campus and working in local small firms for up to 15 hours per week.

Module Objectives and Learning Outcomes:

This module aims to equip students with the analytical and strategic skills necessary to start a successful small business. Theoretical material is covered but the emphasis is on the practical issues involved in starting and growing a new business. The module aims to contribute to an 'entrepreneurial culture' amongst Aston postgraduates and encourage students to consider entrepreneurship as an alternative to employment. Case-study analysis will play an important role in the module.

Knowledge and understanding to:

- > Explain the key theories of entrepreneurship and entrepreneurial practice
- > Discuss entrepreneurship as a strategic practice



Cognitive and analytical skills to:

- > Assess the relevance of academic theory to entrepreneurship
- > Analyse and draw relevant inferences from empirical case studies of entrepreneurship
- > Evaluate the growth and market potential of an existing business
- > Rigorously analyse the potential of a new business opportunity

Key (transferable) skills to:

- > Express core concepts and interpret case studies concisely and coherently
- > Identify new ideas with business potential
- > Conduct an individual and group project and present the results

Subject specific skills to:

- > Prepare a feasible and sustainable plan for the creation of a new business venture based on a clearly identified opportunity

Module Content:

Week 1: So you want to be (seriously) rich?

Entrepreneurial motivations vary considerably between individuals and depending on family and individual circumstances. The factors shaping entrepreneurial behaviour will be introduced, including personality, and economic and sociological influences. The aim is to enable students to evaluate their own motivations and ambition

Week 2: Have you got what it takes?

Starting a business can be fun, rewarding, risky and very hard work. The focus here is on the wide range of skills that are required by entrepreneurs. The importance of technical and strategic competencies will be explored. Students will be equipped to reflect on their own 'strengths' and 'weaknesses' in the light of academic studies and case study analysis

Week 3: What's the idea?

Identifying New Opportunities - an innovative product or service is often the first stage in the process of becoming an entrepreneur. Careful examination of potential ideas and markets will also be central to an individual's ability to obtain support for a new venture. Developing social and environmental objectives – building sustainable new business ventures. The case-study will be used to help students develop strategies to identify potential market opportunities. Students will be expected to contribute to an 'Ideas Bank' to be used later in the course.



- Week 4: Where do you want to be in five years?**
Entrepreneurial vision and the development of new business models play a key role in developing and attracting funding to new enterprises. Business information, anticipated technical changes and even demographic trends can play an important role in shaping 'robust' business plans. The importance of rigorous evaluation of alternative 'futures' will be stressed as will the potential value of benchmarking.
- Week 5: How are you going to get there?**
Strategy Making for a New Business - the strategic orientation, first-to-market or fast-follower, of the entrepreneur will depend on the nature of the business as well as a number of contextual variables such as: opportunity, resources, organisational structure and management philosophy. The importance of appropriate strategic choices will be emphasised.
- Week 6: Who's backing you?**
Financing the start-up - the most common form of finance for a business start-up is the entrepreneur's personal savings. The demand for start-up funds is dependent on the nature of the business: providing a service is likely to demand less immediate finance than the manufacture of a product. Other potential sources of financial support will be examined: banks, venture capital, government loans as well as the more traditional reliance on family and friends.
- Week 7: How does your business grow?**
Managing growth - all new firms pass through stages of growth: conception, survival, stabilisation, growth, (and hopefully) take-off and maturity. The skills required by the entrepreneur will vary considerably throughout the stages. Delegation and managerial competencies, for example, will be more important after the stabilisation phase. Students will be encouraged to consider issues of management and succession planning.
- Week 8: What if it all goes belly-up?**
Dealing with failure - entrepreneurship is often risky and a high proportion of business start-ups will fail. A good idea and good strategy can reduce but not eliminate the risk. We discuss the idea of business failure as a learning experience and contrast European and US attitudes to this inevitable downside of entrepreneurship.
- Week 9: So tell us the plan...**
Presentation of New Venture Plans - students are required to submit a written business plan and to make a formal presentation of their ideas to an outside panel of (although the presentation is not subject to assessment).
- Week 10: Hand in Coursework**

Corporate Connections:

Students will have an opportunity to understand the CSR objectives of Goldman Sachs through the operation of the Goldman Sachs Foundation and its funding of the Goldman Sachs 10,000 Small Businesses Programme in the UK. The students will also be involved in the Goldman Sachs 10,000 Small Businesses Programme through their work on the Business Growth Plans of the alumni of the programme – that is, around 200 small businesses in the Midlands in a range of sectors.

International Dimensions:

Academic studies from a number of countries and cultural backgrounds will be considered. Case Studies will cover entrepreneurship in the UK, US, Hong Kong, Singapore, France and Germany as well as emerging market economies.

Contribution of Research:

Although there is no academic research content within the module, it will be necessary to conduct research into markets for Assignment 1 and into a potential business venture for Assignment 2. The students enrolled in the module will have access to the participants and alumni of the Goldman Sachs 10,000 Small Businesses Programme in the Midlands (Programme delivered by Aston Business School and the Programme Director is the module leader). This will enable them to undertake Assignment 1 in a business that has recently undertaken the design of a Business Growth Plan and is seeking to implement it – they will gain first-hand experience of the drivers of business growth in a practical setting to enhance the taught component of the course.

Ethics, Responsibility & Sustainability:

Students will be introduced to these issues with their work with existing businesses and in the development of their own new business venture. The emphasis will be on the sustainability of their business and they will have an opportunity to discuss this with the owner-managers of existing businesses. This is an important component of the Goldman Sachs 10,000 Small Businesses Programme and the fact that the students will be undertaking a critical review of the Business Growth Plans from participants in the programme will ensure that they are exposed to real examples of how these issues are incorporated into business strategy and operations.

Method of Teaching:

Lectures will be given by academic staff to introduce each theme. On campus students will be expected to have read Case Studies before the sessions and will take turns to introduce the case. Key issues arising from the case will be addressed in group

discussion. Students will be expected to contribute to an 'Ideas Bank' which will be used as the basis for their final business plans.

Each student will spend a total of 30 hours with one of the Goldman Sachs 10,000 Small Businesses Programme participants/alumni in the Midlands to enable them to experience the challenges facing businesses with a strong desire to grow.

Method of Assessment and Feedback:

Students are required to submit three pieces of work for the course assessment.

Assignment 1: Evaluation of Market Opportunities for an Existing Firm (15%)

Make a critical assessment of the market position and competitive strength **of an existing small business**. This should include the identification of competitive advantages of the business and potential threats from competitors and/or market trends. Provision for an initial discussion of ideas will be made in Weeks 2 and 3. Guide length 1,000 words.

Note: Students will normally work in groups of two and will be linked to small businesses on the Goldman Sachs 10,000 Small Businesses Programme (participants; alumni and rejections following interview). Provision for an initial discussion of ideas will be made in Weeks 2 and 3 and a more detailed briefing note will be provided at that stage.

The contents will vary but one possible configuration is:

1. **Introduction** to the business and its products/services etc. Scale and market context
2. **Market position** – might consider - customers, competitors, alliances or partnerships, strategy, SWOT analysis and implications.
3. **Competitive Strengths** – uniqueness, innovation, intellectual property, physical or corporate assets, human resources, management competency.
4. **Implications** – how would you evaluate the likely success of this firm? Key success and risk factors. Strategic prescriptions for enhanced growth/profitability? They would be expected to set this assessment in the context of the recent performance of the business.

Assignment 2: Critical Review of a Business Growth Plan (25%)

Using the Business Growth Plans from participants and alumni on the Goldman Sachs 10,000 Small Businesses Programme in the Midlands students will undertake a critical assessment of the goals, vision and anticipated impact of the growth ambitions of SMEs. Guide length: 1,500 words. Students will be assessed individually.

Assignment 3: Business Plan for New Venture (60%)

“Make the business case for why a business angel should invest in your new venture”.

Note: Examples of business plans will be presented and discussed during the course. A bank of business ideas will be developed in Week 3 and made available to students. Provision for a discussion of initial ideas is made in Week 7.

Students will be expected to undertake background research into the target market and identify potential competitors. The content of the business plan will conform to that required. Clear communication of the product or service is essential and this should be set out on the first page – the business opportunity needs to be concise and unambiguous. The plan should include background research into the target market and identify potential competitors. The plan must demonstrate the financial viability of the business and the assumptions chosen to drive this section of the plan must be realistic and evidenced. Evidence of the added value of their business over competitors is an important element of the plan.

Students will have access to professional business advisors and mentors through the Entrepreneurs 4 the Future Centre based at Birmingham Science Park at Aston. Students will work in small teams and the grade awarded to the Business Plan will be the same for all students in the team subject to a self-assessment of contribution.

Guide length: 3,000 words.

Learning Hours:

<i>Contact & directed</i>	
Lectures	8
Presentations & discussion	16
Business plan presentations	6
<i>Non contact & indirect</i>	
SME Placement	30
Assignment 1 (market assessment)	30
Assignment 2 (BGP review)	25
Assignment 3 (new venture plan)	35
Total	150

The following essential and recommended readings are subject to change. Students should not therefore purchase textbooks prior to commencing their course. If students wish to undertake background reading before starting the course, many of the chapters/readings are available in electronic form via on-line library catalogues and other resources.

Essential Reading:

Wickham, P. (2006) *Strategic Entrepreneurship*, 4th ed. Pearson Education Ltd.



Storey, D J and Greene, F (2010) *Small Business and Entrepreneurship*, London: Pearson.

Westhead, P; Wright, M and McElwee, G (2011) *Entrepreneurship: Perspectives and Cases*, Pearson Education Ltd

Indicative Bibliography:

Acs, Z and Armington, C (2006) 'Entrepreneurship, Geography and American Economic Growth', Cambridge University Press.

Bannock, G (2005) 'The Economics and Management of Small Business: an international perspective', Routledge

Baum, J R, Locke, E A and Smith, K G (2001) 'A Multidimensional Model of Venture Growth', *Academy of Management Journal*, 44, 2, 292-303.

Blanchflower, D G and Oswald, A J (1998) 'What Makes an Entrepreneur?', *Journal of Labour Economics*, 16, 1, 26-60.

Boocock G and Woods M (1997) 'The evaluation criteria used by venture capitalists: evidence from a UK venture fund', *International Small Business Journal*, Oct-Dec, 16, 1, 36-57.

Bridge et al., (2008) 'Understanding Enterprise' Chapters 1 and 2

Burke, A E, Fitzroy, F R and Nolan, M A (2002) 'Self Employment, Wealth and Job Creation: The Roles of Gender, Non Pecuniary Motivation and Entrepreneurial Ability', *Small Business Economics*, 19, 3, 255-270.

Casson, M; Yeung, B; Basu, A and Wadeson, N (2006) *Oxford Handbook of Entrepreneurship*, Oxford.

Chan, S-Y and Foster, M J (1999) 'Strategy Formulation in Small Business: The Hong Kong Experience', *International Journal of Small Business*, 19, 3, 56-71.

Cox, C J and Cooper, C (2000) 'The psychology of the entrepreneur', *Business Economist*, 2000, 31, 2, 13-23.

Davidsson, P; Delmar, F and Wiklund, J (2006) 'Entrepreneurship and the Growth of Firms' Edward Elgar: London

De Fraja, G (1996) Entrepreneur or manager: who runs the firm?', *Journal of Industrial Economics*, March, XLIV, 1, 89-98.

Drucker, P (1998) 'The Discipline of Innovation', *Harvard Business Review*, November/December, 149-157.

Erikson, T (2002) 'Goal Setting and Entrepreneurial Self-Efficacy', *International Journal of Entrepreneurship and Innovation*, 3, 3, 183-190.

Fletcher, M and Harris, S (2002) 'Seven Aspects of Strategy Formulation: Exploring the Value of Planning', *International Small Business Journal*, 20, 3, 297-314.

Gaglio, C M and Katz, J A (2001) 'The psychological basis of opportunity identification: entrepreneurial alertness', *Small Business Economics*, 16, 2, 95-112.

Gelderen, M, Frese, M and Thurik, R (2000) 'Strategies, Uncertainty and Performance of Small Business Startups', *Small Business Economics*, 15, 165-181.

Global Entrepreneurship Monitor (GEM) Global and UK reports – from Module Co-ordinator

Gratton, L (1996) 'Implementing a Strategic Vision', *Long Range Planning*, 29, 3, 290-303.

Howorth, C A (2001) 'Small Firms' Demand for Finance', *International Small Business Journal*, 19, 4, 78-86.

Jones-Evans, D. & Klofsten, M. (1997) *Technology, Innovation and Enterprise: The European Experience*, Basingstoke: Macmillan.

Kotey, B (1999) 'Debt Financing and Factors Internal to the Business', *International Small Business Journal*, 17, 3, 11-29.

Lissack, M and Roos, J (2001) 'Be Coherent, Not Visionary', *Long Range Planning*, 34, 1, 53-70.

Mason, C M and Harrison, R T (2000) 'Influences on the Supply of Informal Venture Capital in the UK: An Exploratory Study of Investor Attitudes', *International Small Business Journal*, 18, 4, 11-28.

Masurel, E, Nijkamp, P, Tastan, M and Vindigni, G (2002) 'Motivations and Performance Conditions for Ethnic Entrepreneurship', *Growth and Change*, 33, 2, 238-260.

McMahon, R G P (1991) 'Growth and Performance of Manufacturing SMEs: The Influence of Financial Management Characteristics', *International Small Business Journal*, 19, 3, 10-28.

Nijkamp, P (2003) 'Entrepreneurship in a Modern Networked Economy', *Regional Studies*, 37, 4, 395-405.

Parker, S (2004) *The Economics of Self-Employment and Entrepreneurship* Cambridge University Press.

Raynor, M E (1998) 'That vision thing: Do we need it?', *Long Range Planning*, 31, 3, 368-376.

Reid, G C and Smith, J A (2000) 'What makes a new business start-up successful?', *Small Business Economics*, May, 14, 3, 165-182.

Shane, S and Venkataraman, S (2000) 'The Promise of Entrepreneurship as a Field of Research', *Academy of Management Review*, 25, 1, 217-226.

Storey, D.J. (1994) *Understanding the Small Business Sector*, London: Routledge

Teal, E J and Carroll, A B (1999) 'Moral reasoning skills: are entrepreneurs different?', *Journal of Business Ethics*, Apr, 19, 3, 229-240.

Ucbasaran, D, Westhead, P and Wright, M (2001) 'The Focus of Entrepreneurial Research: Contextual and Process Issues', *Entrepreneurship Theory & Practice*, 25, 2, 57-80.

Verheul, I and Thurik, R (2001) 'Start-up capital: does gender matter?', *Small Business Economics*, June, 16, 4, 329-345.

Watson, J and Everett, J (1999) 'Small Business Failure Rates: Choice of Definition and Industry Effects', *International Small Business Journal* 17, 2, 31-45.

Wright, M, Robbie, K and Ennew, C (1997) 'Serial Entrepreneurs', *British Journal of Management*, 8, 3, 251-268.

Zutshi R K, Tan W L, Allampalli D G and Gibbons P G (1999) 'Singapore venture capitalists (VCs) investment evaluation criteria: a re-examination', *Small Business Economics*, August, 13, 1, 9-26.