

BS3357 – ENTREPRENEURIAL STRATEGY

Module Number: BS3357
Module Title: Entrepreneurial Strategy
Number of Aston Credits: 20
Total Number of ECTS Credits: 10
(European Credit Transfer)

Staff Member Responsible for the Module:

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Pre-Requisite(s) for this Module: None

Module Learning Outcomes:

On successful completion of this module students will be able to:

1. Understand the concepts and context of building new businesses, their relevance and application to organisations in today's economy.
2. Understand the formulation and application of new business strategies for both
 - a) Independent start ups and new ventures within existing organizations
 - b) Achieving innovation in existing established organisations through entrepreneurial strategy.

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3. Understand the development of the necessary skills to formulate a strategy for a new venture through the identification of a market opportunity and creation of a supporting business plan, working as a member of a small team.

Module Content:

TERM 1

Week 1 *Introduction to the module.*

What is strategy and what role does it play in the formulation of new businesses?

Week 2 *The resource based view of the firm.*

To what extent does previous experience, leader's behaviour and current activities constrain or drive future business opportunities,

Week 3 *Market analysis and the concept of strategic windows.*

Week 4 *Sources of Opportunity: Finding the right market opportunity on which to base a new venture.*

Finding a suitable opportunity on which to base an organisation is obviously the starting point. Is it a matter of being in the right place at the right time? Research findings, concepts and processes that assist in the identification of feasible market opportunities are examined. The second step is ensuring that the new venture team has the necessary skills and experience, to match the perceived opportunity and potential development.

Week 5 *Do businesses follow set patterns? Deconstructing businesses into common business models or profit patterns.*

Week 6 *Profit patterns – part 2.*

Examines the successful designs that companies can employ in order to achieve a profitable business position. Which positions are most profitable to employ. Do these apply to both start up ventures and established but growing firms? Based primarily upon the work of Adrian Slywotzky of Mercer Management Consulting.

Week 7 *The Influence of Technology.*

The role of technology as a source of opportunity is examined in more detail from the perspective of technology, industry and

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market life cycles. Concepts of technological trajectory and path dependence are examined.

Week 8 *The Role of Networking in Entrepreneurial Management.*

The ability of entrepreneurs to create and use personal networks in establishing new independent ventures is well documented. The development of networks and the uses to which they are put in new ventures and within larger more established organisations are examined.

Week 9 *Creating and documenting a new venture strategy in a business plan.*

Creating a viable new venture strategy is a challenging task, which involves the development of separate functional strategies to fulfil an overall strategy, expressing the entrepreneurial opportunity?

Week 10 *Marketing Your Idea?*

If you can't sell your idea then you are bound to fail. Clear crisp targeted effective communication is the key.

Week 11 *Reading Week.*

No lecture. Students are required to read and discuss with colleagues two HBR papers. These ideas will be useful for formulating your business plan. These papers will be formally discussed in term 2.

Term One Tutorials

There will be four tutorials [one every two weeks] in term 1. After this students are expected to work on their business plan and make a group appointment as required. Specific office hours will be set aside from these "business clinics" in term 2. Please note that tutorials begin in the first week of teaching.

Tutorial 1: Introduction to Business Plans.

Tutorial 2: Searching for the right opportunity.

Tutorial 3: Assessing the Business opportunity and its feasibility.

Tutorial 4: Networking Skills: Sources of Information.

Term One Learning Outcomes

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Students should recognise the significance of entrepreneurial activity to the creation of a dynamic economy as well as understanding the nature of markets and how technology and industry life cycles presents opportunities and threats.

Students should also have a basic understanding of the entrepreneurial management process for a new venture strategy based on the inputs of lectures, and early team work to produce such a strategy in the form of a written business plan. The business plan element of the module provides an important opportunity to utilise theoretical knowledge in an applied context at both operational and strategic levels and to integrate functional management knowledge into a coherent strategic whole.

Tutorials assist both with application of existing knowledge and analytical skills to a practical purpose within the workshops. Group working skills are further developed.

TERM 2

Week 14 *Essential Differences between Service and Manufacturing based businesses.*

Week 15 *Choice or Opportunity.*

Routes to growth – The role of strategy and strategic position in staking out a successful viable market position.

Week 16 *Making the Transition from the Early Stages: Managing to Survive and Grow.*

The early stages of a business start-up can be summarised in the following manner: conception, survival, and stabilisation. Once the business has stabilised then entrepreneurs begin to consider business growth, take-off and maturity. We examine stage models for the growth process and the changes in the entrepreneurial roles during this critical transitory phase.

Week 17 *The Alchemy of Growth.*

How do companies continue on a growth trajectory over time? Often companies that outperform their industry's growth rate in any year, only one will manage to keep up that record for ten years.

Week 18 *Channel Management.*

Examines the impact of channel choice upon business reach and ultimately business success. What options are available to firms in terms of reaching their customers and which decisions

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lead to optimal channel choice? We look at mapping the market and looking for innovative new channels.

Week 19 *Generating Sales from Concept to Market.*

Examines the role of the sales force in business success. What options are available to firms in terms of reaching their customers and does the return justify the cost?

Week 20 *Failure: Why new ventures fail: The opportunity, the individual or the execution?*

Causes of business failure are examined for the lessons to be learnt along with what to do if when faced with the prospect of business failure.

Week 21 *Harvesting: Valuing a business.*

The means by which an entrepreneur may realise value or exit from a successful venture are examined along with the difficult task of setting a value on the business.

Week 22 *Revision Session.*

Term Two Tutorials

Students should book into “business clinic” sessions to discuss the specific development of their plan. Students should prepare prior to the clinic, book a slot and come with specific ideas or issues to discuss.

Term Two Learning Outcomes

Students have the opportunity to further apply their theoretical knowledge in the creation of a new venture strategy, developing important management skills beyond basic analysis of information to identify potentially viable market opportunities on which to base a new venture and create value.

International Dimensions:

The life cycle of businesses within an international dimension forms an important element of searching for new opportunities and viable market opportunities.

Corporate Connections:

Students are encouraged to base their ideas on an up to date assessment of competitors and competitor products in order to understand their business model and the relative costs involved. This can then be ‘deconstructed’ and used as the framework to build a new or improved business design. External speakers will be used to ensure that students gain an understanding of the

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excitement and challenge of building a business in today's fast moving environment.

Method of Learning and Teaching:

Method of Teaching - The module is based on 19 one-hour lectures 10 one-hour tutorials. Tutorials provide the opportunity to discuss the progress of their business plans as well as examining a number of important issues associated with formulation of new venture strategy. Students are encouraged to view their group work as a central part of learning about the process through which viable new businesses are created.

Contact and directed learning

| | |
|------------------|----------|
| Lectures | 19 hours |
| Tutorials | 4 hours |
| Business clinics | 6 hours |
| Examination | 3 hours |

Indirect learning

| | | |
|------------------------------|---|-----------|
| Preparation of Idea Synopsis | } | 168 hours |
| Preparation of Business Plan | | |
| Exam revision | | |
| Reading | | |

Total **200 hours**

Ethical Approval:

This module does not generally require students to conduct any primary research. Students who intend to conduct interviews in order to research their proposal will need to seek the appropriate ethical approval.

Method of Assessment:

The assessment is via a 3-hour closed-book examination (60%) and coursework (40%).

The coursework (40%) comprises one opportunity synopsis of 500 words 15% and a Business Presentation 25%.

The coursework has two elements: first where students work together to research and analyse a market that they propose to enter. Second each group then develops a realistic business plan to exploit the opportunity, which they have uncovered.

Assessment 1

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Working in groups write a 500 word synopsis outlining the nub of your business idea and the size of the opportunity. Remember to outline the industry that you propose to enter. What are its size, shape, market trends and current competitors? How do you expect the market shape and competitive dynamics to change over the next three years? Where are the opportunities, and what are the barriers to entry that must be overcome to exploit them?

Use of diagrams and models to structure your report and clarify issues is to be recommended. A strict word limit will be imposed.

Assessment 2

Working together in groups identify a viable market opportunity and develop a comprehensive but succinct Power Point presentation aimed at selling your idea to potential investors complete with supporting financials to exploit it.

Business plans should not merely take an established idea but should look to incorporate some novel way of building sustainable competitive advantage. For example a basic business pattern may be examined and either reassembled or perhaps radically redesigned in order to build a robust engine for future growth. Models used in different businesses may be adapted to new markets.

The business presentation should follow a clear logical structure and be both creative and informative. A slide limit of 10 slides for the main presentation and no more than 4 backup slides to provide supporting information and extra financial detail will be strictly observed.

| <i>Coursework Submission Dates</i> | <i>Date Due</i> |
|---|-------------------|
| Group Market Analysis: 500 words | Wednesday, Week 9 |
| Business Plan: 10 Powerpoint slides [plus 4 backup to anticipate questions] | Friday, Week 18 |

Group Work:

Seeking information and preparing a business plan is a central feature of the module. Teams of people in the external world undertake the creation of a new venture strategy, not individuals. In order for students to derive the maximum benefit from the module it therefore necessary for students to work in teams to identify, find and co-ordinate the necessary information to support the business plan. Creating a new venture strategy is a high order skill and benefits from multiple individual inputs. It is necessary to work together to develop these skills especially at this final stage in your management education. Groups will be subject to peer review to ensure fair distribution of marks. Students should use the recommended peer review form and be

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prepared to substantiate their decisions with appropriate notes and minutes of group meetings.

Group size will depend on the total taking the module but it is anticipated that the groups will number 4 or 5 students. **These groups will be allocated by the undergraduate office based on the tutorial lists. No student may change group or tutorial without formal permission from the undergraduate office.**

Essential Reading:

Wickham P (2006), *Strategic Entrepreneurship: A Decision-Making Approach to New Venture Creation and Management*, 4th Edition, Harlow: Financial Times/Prentice Hall.

Burns P (2001), *Entrepreneurship and Small Business*, Basingstoke: Palgrave Macmillan.

Slywotzky A & Wise R (2003) *How to grow when markets don't*. Warner Business Books.

Doyle P (2000), *Value Based Marketing*, Chichester: Wiley.

Keegan W, Davidson H & Brill E.A (2005) *Offensive marketing: An action guide to gaining the offensive in business*. Heinemann.

Harvard Business Review Articles:

Ghalbouni, J., & Rouzies, D. (2010) The VC Shakeout. *Harvard Business Review*. July. p 21-23.

Isenberg, D.J. (2010) How to start an entrepreneurial revolution. *Harvard Business Review*. Jun. p 40-50.

Dyer, J.H., Gregersen, H.B., Christensen, C.M. (2009) The Innovators DNA. *Harvard Business Review*. Dec. p 60-67.

Isenberg, D.J. (2008) The Global Entrepreneur. *Harvard Business Review*. Dec. p 107-111.

Wasserman, N. (2008) The Founder's Dilemma. *Harvard Business Review*. Feb. p 40-50.

Socolow, D.J. (2007) Picking Winners. *Harvard Business Review*. May. p 121-126

Collis, D.J., Montgomery, C.A. (2008) Competing on Resources. *Harvard Business Review*. Jul. p 140-150.

Kim, W.C., Mauborgne, R. (2009) How Strategy Shapes Structure. *Harvard Business Review*. Sept. p 72-80.

Kim, W.C., Mauborgne, R. (2004) Blue Ocean Strategy. *Harvard Business Review*. Oct. p 76-84

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Background Reading:

Baghai M, Coley S & White D (1999), *The Alchemy of Growth*, London: Orion Publishing.

Barrow C (1998), *The Essence of Small Business*, 2nd Edition, London: Prentice Hall.

Barrow C (1998), *Financial Management for Small Business*, 3rd Edition, London: Kogan Page.

Birley S & Muzyka D (1997), *Mastering Entrepreneurship*, London: Pitman.

Castells M (1996), *The Rise of the Network Society*, Oxford: Blackwell.

Drucker P (1985), *Innovation and Entrepreneurship: Practice and Principles*, London: Henmann.

Foster R & Kaplan S (2001), *Creative Destruction*, Harlow: Pearson.

Murphy M (1996), *Small Business Management*, London: Pitman.

Schumpeter JA (1934), *The Theory of Economic Development*, Cambridge: Harvard University Press.

Sexton DL & Landstrom H (2000), *Handbook of Entrepreneurship*, Oxford: Blackwell.

Slywotzky AJ & Morrison DJ (1997), *The Profit Zone*, Chichester: Wiley.

Slywotzky AJ & Morrison DJ (1999), *Profit Patterns*, Chichester: Wiley.

Small P (2000), *The Entrepreneurial Web*, London: Pearson Education.

Steiner R (1998), *My First Break. How Entrepreneurs Get Started*, London: News International plc.

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

Timmons JA (1999), *New Venture Creation, Entrepreneurship for the 21st Century*, 5th Edition, Boston: Irwin.

Zook C & Allen J (2001), *Profit from the Core*, Boston: Harvard Business School Press.

Useful Online Sources:

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ABI-Inform Full Text (Proquest), Emerald, Web of Science (Social Science Citation Index), Lexis-Nexis Executive

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GROUP CONTRIBUTION SHEET

PLEASE COMPLETE AND ATTACH TO THE GROUP REPORT

MODULE:

(E.g. 100 means that the student will receive 100% of the Final Grade, 50 means the student will receive 50% of the Final Grade.)

| Student Name* | Contribution (%) |
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All group members contributed equally (Please Tick)

DATE: _____

* Please ensure you write in your names and not your student numbers.

MODULE:

GROUP:

Group Members Signatures (Should correspond to candidate numbers given above):

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