

COURSE INFORMATION

Course title:	Growing and Exiting a Venture		
Course code:	BAEN 502	Credits:	1.5
Session, term, period:	2021W1, Period 7	Class location:	HA 435
Section(s):	001	Class times:	Tuesday/Thursday 8:00 – 10:00 am
Course duration:	Nov 3 – Dec 10, 2020	Pre-requisites:	N/A
Division:	Entrepreneurship	Co-requisites:	N/A
Program:	MBA		

INSTRUCTOR INFORMATION

Instructor:	Blair Simonite	Office location:	Meetings via Zoom
Phone:	604-723-4788	Office hours:	By appointment
Email:	Blair.simonite@ubc.ca		

COURSE DESCRIPTION

Who should sit on your advisory board? How do you structure employee contracts for employees 5 to 50? How do you build a scalable sales process that allows you to achieve sustainable growth? These questions and many more are critical to answer as you look to take your venture to the next level. Whether you are a co-founder, a manager, an employee, or another stakeholder, in this course you will shift your focus from survival, to planning and executing growth strategies. Your goal is to help the organization overcome the many hurdles ahead, successfully scale up for growth considering new products, markets, geographies, and customers, and to potentially prepare for exit.

Growing & Exiting a Venture is the completing chapter of the MBA Entrepreneurship Track, and is the natural progression from Tech Entrepreneurship and the Entrepreneurship Project you may have completed over the summer. But these are not prerequisites; this course is also for students in other tracks who have an interest in the management challenges facing ventures as they grow and mature beyond the early stages. Entrepreneurial thinking and spirit are assets to any organization, no matter the size or stage.

COURSE FORMAT

This course is participative and activity-based, and operates much like a real management team environment. Like a real business, it requires engagement for success.

LEARNING OBJECTIVES

By the end of this course, students will be able to:

1. Recognize and address the challenges and risks involved in growing an early stage venture.
2. Apply practical, industry-relevant models and tools to build and evolve execution plans that will further the growth path of the venture.
3. Assess and influence the human factors such as leadership and culture that are critical for successful company growth.
4. Understand the practicalities of preparing a company for future exit.

ASSESSMENTS

Summary

<u>Component</u>	<u>Weight</u>
Class participation	20%
Individual assignment	40%
Team Project	40%
Total	100%

Details of Assessments

Assessments of class participation will be based on the level of participation quality. Consider the class as a management meeting where you engage and contribute your relevant experience, insights, and questions with appropriate professional courtesy. Quality pertains to the relevance, insight and clarity of your remarks, questions, and presentations. Participation that would be judged well in a management team environment will earn high participation grades in class.

The individual assignment will consist of an early-stage growth company scenario for your analysis and recommendations. Further details will be provided in class.

The team project will be your analysis and growth/exit plan for a real world organization from your own experience – if it is your own startup, so much the better. (Students may request a case organization be provided if they do not have an appropriate organization from their experience). Working in teams you will create a practical and executable plan that could be presented to that organization. The project outcome will be in the form of a presentation to executive management. As would be the case in the business world, you'll be assessed on the quality and completeness of your plan, as well as on your ability to communicate it.

LEARNING MATERIALS

Required Reading

Start-ups That Last, R Gulati, A DeSantola, (*Mar 2016, HBR R1603C*)

LINK: Steve Blank blog – What do I do now, the startup lifecycle
<https://steveblank.com/2015/02/12/what-do-i-do-now/>

The Entrepreneur's Path to Global Expansion, W. Kuemmerle, (*Winter 2005 MIT Sloan SMR160*)

CASE: Innocent Drinks, Sahlman Nov 24, 2004, HBS 9-805-031

Scaling a Startup – Pacing Issues, T. Eisenmann (*Nov 2011 HBS 9-812-099*)

Scaling a Startup – People and Organizational Issues, T. Eisenmann & A.B. Wagonfeld (*Feb 2012 HBS 9-812-100*)

Why Entrepreneurs Don't Scale, J Hamm, (*Dec 2002, HBR R0212J*)

Posted on Canvas:

Strategies for Managers Working within Founder's Syndrome Organizations, Jessica Shortall
(*Social Enterprise Associates, Jan 2007*)

Posted on Canvas: BDC Article on Advisory Boards

https://www.bdc.ca/EN/Documents/analysis_research/bdc_study_advisory_boards.PDF

Financing Entrepreneurial Ventures, W.R. Kerr, R. Nanda, J. McQuade, (*Sep 2014 HBP Entrepreneurship 8072*)

Selling and Marketing in the Entrepreneurial Venture, F.V. Cespedes, (*Sep 2014 HBP Entrepreneurship 8086*)

The End of Solution Sales, B. Adamson, M. Dixon, N. Toman, (*Jul-Aug 2012 HBR R1207C*)

Posted on Canvas:

Legal Due Diligence, Closing the Deal, Espresso Capital

CASE: La Boulange: Exiting to a Large Strategic Buyer (A), Siegel & Kiessig May 21, 2013, Stanford Graduate School of Business E478A

Recommended Readings

The Hard Thing About Hard Things – Building a Business When There are no Easy Answers, Ben Horowitz (Harper Collins 2014)

The Challenger Sale – Taking Control of the Customer Conversation, M Dixon and B Adamson (Portfolio, Nov 2011)

Lean Analytics – Use Data to Build a Better Startup Faster, A. Croll, B. Yoskovitz, (O’Reilly 2013)

Attracting Talent and Building Ecosystems, L.M. Applegate, Carole Carlson, (*Sep 2014 HBP Entrepreneurship 8068*)

Startup Boards – Getting the Most Out of Your Board of Directors, B. Feld and M. Ramsinghani (Wiley, Dec 2013)

COURSE-SPECIFIC POLICIES AND RESOURCES

Missed or late assignments

Late submissions will not be accepted and will receive a grade of zero.

Academic Concessions

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC’s policy on Academic Concession](#).

POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL

Attendance

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause

unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on the transcript.

Punctuality

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

Electronic Devices

During online lectures, students are not permitted to use any electronic devices other than the primary one used for attending the online lecture (e.g. laptop or desktop). Only Zoom should be open during the online lecture unless an instructor advises the use of another for an in-class activity. Feedback from students indicates that personal devices are the number one distraction from effective learning and participation in the online learning environment.

Citation Style

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:

<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

Respect for Equity, Diversity, and Inclusion

The UBC Sauder School of Business strives to promote an intellectual community that is enhanced by diversity along various dimensions including status as a First Nation, Metis, Inuit, or Indigenous person, race, ethnicity, gender identity, sexual orientation, religion, political beliefs, social class, and/or disability. It is critical that students from diverse backgrounds and perspectives be valued in and well-served by their courses. Furthermore, the diversity that students bring to the classroom should be viewed as a resource, benefit, and source of strength for your learning experience. It is expected that all students and members of our community conduct themselves with empathy and respect for others.

Academic Integrity

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic

integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President's Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

Academic Freedom and Students Studying from Outside Canada

During this pandemic, the shift to online learning has greatly altered teaching and studying at UBC, including changes to health and safety considerations. Keep in mind that some UBC courses might cover topics that are censored or considered illegal by non-Canadian governments. This may include, but is not limited to, human rights, representative government, defamation, obscenity, gender or sexuality, and historical or current geopolitical controversies. If you are a student living abroad, you will be subject to the laws of your local jurisdiction, and your local authorities might limit your access to course material or take punitive action against you. UBC is strongly committed to academic freedom, but has no control over foreign authorities (please visit <http://www.calendar.ubc.ca/vancouver/index.cfm?tree=3,33,86,0> for an articulation of the values of the University conveyed in the Senate Statement on Academic Freedom). Thus, we recognize that students will have legitimate reason to exercise caution in studying certain subjects. If you have concerns regarding your personal situation, consider postponing taking a course with manifest risks, until you are back on campus or reach out to your academic advisor to find substitute courses. For further information and support, please visit: <http://academic.ubc.ca/support-resources/freedom-expression>

COPYRIGHT

All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline and could be subject to legal action. Any lecture recordings are for the sole use of the instructor and students enrolled in the class. In no case may the lecture recording or part of the recording be used by students for any other purpose, either personal or commercial. Further, audio or video recording of classes are not permitted without the prior consent of the instructor. Students may not share class Zoom links or invite others who are not registered to view sessions.

ACKNOWLEDGEMENT

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the xwməθkwəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

ONLINE TEACHING TOOL & REQUIREMENTS

This course will be taught using Zoom for synchronous classes and office hours.

For this course, you are required to use a Zoom account during synchronous classes and office hours. If you do not have a Zoom account, you can create one here: <https://zoom.us/signup>. Note: creating a Zoom account requires that you provide a first name, last name, and email address to Zoom. For privacy purposes, you may consent to using your existing email address and your real name. Alternatively, if you

prefer, you may sign up using an alternative email address and an anonymized name that does not identify you (i.e. Jane Doe, jane.doe@email.com). If you have trouble creating an account, or accessing a Zoom session, please contact CLCHelp@sauder.ubc.ca. You will be required to provide the email address associated with your Zoom account in a Canvas quiz for identification purposes.

To help replicate the classroom experience, make sessions more dynamic and hold each person accountable, both students and instructors are required to have their cameras on during Zoom sessions. Students who require an accommodation with regard to the “camera on” requirement must contact their instructors in advance of the first class to discuss options. As professional graduate students, students are expected to conduct themselves professionally by joining sessions on time, muting mics when not speaking, refraining from using any other technology when in-session, attending in business casual dress (at a minimum), and participating from a quiet environment. Content from synchronous sessions will be selectively recorded per instructor discretion and made available to students on Canvas for a maximum duration of the course length. This is done to allow students the opportunity to return to lecture content to solidify learnings.

COURSE SCHEDULE

(Subject to change with class consultation)

Class	CLASS TOPICS	READINGS & PREPARATION
1	<p><u>Growth Strategy</u> Choosing fundamental growth strategies</p> <ul style="list-style-type: none"> - Strategic choices for growing your venture - In-class case: Innocent Drinks – choosing strategic growth alternatives 	<p>Startups That Last – How to scale your business</p> <p>Steve Blank Blog: What do I do now, the startup lifecycle https://steveblank.com/2015/02/12/what-do-i-do-now/</p> <p>Entrepreneur’s Path to Global Expansion</p> <p>CASE: Innocent Drinks Read the case before class, and consider the company’s strategic growth alternatives in light of the factors that have allowed the company to succeed thus far. In class you (in groups) will debate choosing an alternative.</p>
2	<p><u>Pace & Pitfalls</u></p> <p>Pace & growth strategy</p> <ul style="list-style-type: none"> - Early stage growth & early stage pitfalls - In-class scenario: ESS. In this management meeting you must make choices that involve pace, in a real-world scenario. 	<p>Scaling a Startup - Pacing Issues</p> <p>Scaling a Startup – People & Organizational Issue</p> <p>Posted on Canvas Before class: review ESS Cash Forecast & briefing note, for use in class.</p>

	<p>Introduction to individual assignment: Culture & Growth</p>	<p>Readings relating to the assignment:</p> <ul style="list-style-type: none"> • Why Entrepreneurs Don't Scale • Posted on Canvas: Strategies for Managers working within Founder's Syndrome Organizations
3	<p><u>Boards and Shareholders</u> Real-world board decision making</p> <ul style="list-style-type: none"> • Decisions by management, shareholders, and the board • Shareholder agreements in action • In-class activity: BookerTech board meeting <p>Draft team lists for team project due. Final team lists confirmed at end of week by instructor</p>	<p>Posted on Canvas Before class, review for use in class:</p> <ul style="list-style-type: none"> • Briefing note for the board meeting • BookerTech SHAG (Shareholder agreement)
4	<p><u>Building Boards</u> How to build boards</p> <ul style="list-style-type: none"> - Building advisory boards and boards of directors, and their evolution - In-class activity: evaluate your team's venture board. - <p>Individual assignment due – Monday Nov 16 midnight</p>	<p>Posted on Canvas (for your reference): BDC Article on Advisory Boards https://www.bdc.ca/EN/Documents/analysis_research/bdc_study_advisory_boards.PDF</p>
5	<p><u>Compensation in the Growth Startup</u> Compensating, incenting and aligning employees</p> <ul style="list-style-type: none"> • Forms of compensation • Stock options deep dive • Time permitting activity: real-world stock option plan 	<p>Posted on Canvas Before class, review for use in class:</p> <ul style="list-style-type: none"> • Briefing note for the stock option activity • Booker Technologies Stock Option Plan
6	<p><u>Non-dilutive Financing</u> Non-dilutive financing alternatives for growth</p> <ul style="list-style-type: none"> - Focus on non-dilutive financing – debt, government and customer funding. Structures, covenants, pros and cons. - In-class activity: A debt term sheet and your recommendation to the board 	<p>Financing Entrepreneurial Ventures</p> <p>Posted on Canvas: Before class: review posted "Debt Term Sheet Sample", and "Debt Term Sheet questions for students", for use in class.</p>

7	<p><u>Executing Growth - Sales</u> The fundamentals of sales execution for growth</p> <ul style="list-style-type: none"> - Sales models, designing & scaling the sales organization - The sales funnel - Managing with sales metrics 	<p>Selling and Marketing in the Entrepreneurial Venture</p> <p>The End of Solution Sales</p>
8	<p><u>Sales Systems for Growth</u> Systematic methods for achieving revenue growth objectives</p> <ul style="list-style-type: none"> - Guest speaker – the science of sales and marketing - Time permitting discussion: sales strategy decision making 	
9	<p><u>Real-world Exits for Growth Companies</u></p> <ul style="list-style-type: none"> - Guest speaker – this CEO shares the experience of his company’s exit - In-class activity: your company has a strategic investment offer – then due diligence issues emerge. 	<p>Posted on Canvas: Legal Due Diligence & Closing the Deal</p> <p>Before class: review posted Due Dili Briefing Note, for use in class</p>
10	<p><u>Exits and Management Challenges</u></p> <ul style="list-style-type: none"> - In-class case: La Boulange. Read the case before class, and consider the company’s exit alternatives. In class you (in groups) will choose a path forward and defend it. 	<p>Case – La Boulange Exiting to a Strategic Buyer (A)</p>
Wk 6	<p><u>Team Project presentations.</u> Presentation schedule will be confirmed in class. Mandatory for all students to attend all presentations.</p>	