

# Fayetteville State University

## School of Business and Economics

**FSU Policy on Electronic Mail:** Fayetteville State University provides to each student, free of charge, an electronic mail account ([username@uncfsu.edu](mailto:username@uncfsu.edu)) that is easily accessible via the Internet. The university has established FSU email as the primary mode of correspondence between university officials and enrolled students. Inquiries and requests from students pertaining to academic records, grades, bills, financial aid, and other matters of a confidential nature must be submitted via FSU email. Inquiries or requests from personal email accounts are not assured a response. The university maintains open-use computer laboratories throughout the campus that can be used to access electronic mail.

Rules and regulations governing the use of FSU email may be found at <http://www.uncfsu.edu/PDFs/EmailPolicyFinal.pdf>

### II. COURSE DESCRIPTION

Using applied economics and business principles, this course focuses on issues that face entrepreneurs who start new enterprises or create new ventures within existing firms. The topics covered in the course include the evaluation of new venture ideas; the planning, formulation and implementation of strategies for creating new ventures and finally the evaluation of economic conditions and the financing of new ventures.

**Prerequisites: ECON 212, ACCT 211**

### III. DISABLED STUDENT SERVICES

In accordance with Section 504 of the 1973 Rehabilitation Act and the Americans with Disabilities Act (ACA) of 1990, if you have a disability or think you have a disability to please contact the Center for Personal Development in the Spaulding Building, Room 155 (1<sup>st</sup> Floor); 910-672-1203.

### IV. REQUIRED READINGS

The required readings for this class will be made available to students through links to free and/or public domain internet sources or through in-class handouts. For more details see the topics and readings list under heading VII of this syllabus.

### V. STUDENT LEARNING OUTCOMES

Upon successful completion of this course the students will be able to:

- Identify and explain some of the opportunities and challenges for existing businesses that are created by economic change.
- Explain the role of innovation and entrepreneurship in transforming the economy and generating economic growth.

- Obtain and fill out applications for a privilege license, business name registration, federal employer identification number, etc.
- Identify and explain the importance of regulatory compliance (for example: tax compliance, OSHA regulation compliance, tax withholdings, etc.)
- Identify and explain how business structure affects taxes, liability, etc.
- Identify and evaluate critical steps in the entrepreneurial process.
- Identify and evaluate basic sources of finance and the financial risks associated with new ventures.
- Identify and evaluate the risks and opportunities associated with different market structures.
- Identify and evaluate the risks and opportunities of dealing with different kinds of customers.
- Identify and evaluate basic problems and risks in production and distribution.
- Identify and evaluate basic legal and ethical issues that arise in the creation of new ventures.
- Create a basic business plan that may be presented to a venture capitalist or a bank.

## VI. COURSE REQUIREMENTS AND EVALUATION CRITERIA

**Exams:** There are two exams scheduled for the semester. Both of these will be take-home exams to be given on February 13<sup>th</sup> and on April 30<sup>th</sup>.

The take-home exams in this class are very different from the in-class exams that you are used to from other classes. The questions on the take-home exams will call for a considerable amount of work. You will need to use a variety of different resources and you will also have to search out material that is not listed in the syllabus. You will have several days to work on your answers and you will be allowed to use all the resources at your command to answer the questions.

In short, the take-home exams call for you to gather material, read up on the issues on your own, form conclusions and then write coherent and well-written answers to open-ended questions based on the material of the course.

**The Structure of the Exams:** Each exam will require you to answer four or five open-ended essay questions from the material covered during the relevant segment of the course. Each of these questions will be worth the same number of points and each exam will be worth a total of 100 points.

**General Assignments:** You will receive a number of short assignments requiring your to give examples, assess cases and/or evaluate situations and entrepreneurial opportunities. These assignments will be worth a total of 100 points combined.

**Structured Business Plan Assignments:** You will also receive a number of structured assignments that will be based on the various components of a business plan. These assignments will be worth a total of 100 points.

**Business Idea and Elevator Pitch:** You must come up with a business idea and write a short paper explaining why you believe your idea is viable. You will then give a short 2 minute timed elevator pitch presentation of it in class on May 4<sup>th</sup>. Your paper and presentation will be worth a total of 100 points.

**Letter Grades:** Adding the total exam, assignment, and folder scores yields a total overall score on a scale from 0-500. This score will then be transformed into letter grades as follows:

A	=	450-500	Points
B	=	400-449	Points
C	=	350-399	Points
D	=	300-349	Points
F	=	< 300	Points

## VII. ACADEMIC SUPPORT RESOURCES

### Internet Resources:

Famous entrepreneurs:

[http://entrepreneurs.about.com/od/famousentrepreneurs/Famous\\_Entrepreneurs.htm](http://entrepreneurs.about.com/od/famousentrepreneurs/Famous_Entrepreneurs.htm)

On Ethics and Entrepreneurship:

<http://www.managementhelp.org/ethics/ethics.htm>

Creativity:

<http://www.enchantedmind.com/html/creativity/techniques/techniques.html>

<http://tip.psychology.org/debono.html>

Websites that contain a number of useful readings & links on entrepreneurship:

<http://www.entrepreneur.com/>

<http://www.zeromillion.com/entrepreneurship/>

An Essay on Different Kinds of Entrepreneurs:

<http://www.ctahr.hawaii.edu/oc/freepubs/pdf/ET-4.pdf>

An Essay on Entrepreneurship and Organizations:

[http://forum.johnson.cornell.edu/faculty/khessina/Chapter12\\_Handbook%20Of%20Entrepreneurship.pdf](http://forum.johnson.cornell.edu/faculty/khessina/Chapter12_Handbook%20Of%20Entrepreneurship.pdf)

A Guide to Starting a Business in North Carolina:

<http://www.sbtcd.org/pdf/startup.pdf>

State of North Carolina Guide to Business Licenses and Permits on the Local, State and Federal Level:

<http://www.nccommerce.com/NR/rdonlyres/CC5488D0-9B3E-4C32-BEF4-4B88630CE3F1/0/BusinessNotes.pdf>

VIII. COURSE OUTLINE

Dates	Topics & Links to Readings
1/10/2011	<b>Introduction to the Issues and Methods of the Course.</b>
1/12/2011	<p style="text-align: center;"><b>The Big Idea</b></p> <p>Business Ideas:  <a href="http://www.entrepreneur.com/businessideas/index.html">http://www.entrepreneur.com/businessideas/index.html</a></p> <p>Strange and Silly Ideas that Still Worked:  <a href="http://www.nichegeek.com/10_totally_stupid_online_business_ideas_that_made_someone_rich">http://www.nichegeek.com/10_totally_stupid_online_business_ideas_that_made_someone_rich</a></p> <p>Seemingly Good Ideas that still Failed:            Apple Innovations that Lost Money  <a href="http://www.applegazette.com/mac/apples-missteps-8-products-that-tanked/">http://www.applegazette.com/mac/apples-missteps-8-products-that-tanked/</a>            Various Ideas  <a href="http://ca.askmen.com/toys/top_10_100/139_top_10_list.html">http://ca.askmen.com/toys/top_10_100/139_top_10_list.html</a>            Stuff Consumers did not want  <a href="http://www.getfreshminds.com/2007/08/the-path-to-fai.html">http://www.getfreshminds.com/2007/08/the-path-to-fai.html</a>            Food Products  <a href="http://findarticles.com/p/articles/mi_m3289/is_n5_v163/ai_15433379">http://findarticles.com/p/articles/mi_m3289/is_n5_v163/ai_15433379</a></p> <p>Creativity:            Creative Tools &amp; Techniques  <a href="http://www.enchantedmind.com/html/creativity/techniques/techniques.html">http://www.enchantedmind.com/html/creativity/techniques/techniques.html</a>            Lateral Thinking  <a href="http://tip.psychology.org/debono.html">http://tip.psychology.org/debono.html</a></p> <ul style="list-style-type: none"> <li>• Creativity: Needs and Opportunities</li> <li>• Practical Issues</li> </ul>
1/14/2011	<p style="text-align: center;"><b>Entrepreneurship in an Economic Context</b></p> <p>“Entrepreneurship” from the <i>Concise Encyclopedia of Economics</i>            by Russell S. Sobel:  <a href="http://www.econlib.org/library/Enc/Entrepreneurship.html">http://www.econlib.org/library/Enc/Entrepreneurship.html</a></p> <p>A short essay on “Kirznerian Entrepreneurship” by Gennady Stolyarov:  <a href="http://www.quebecoislibre.org/05/051215-2.htm">http://www.quebecoislibre.org/05/051215-2.htm</a></p>
1/17/2011	MLK Day: University Holiday

<p>1/18/2011 1/20/2011</p>	<p style="text-align: center;"><b>Entrepreneurship and Economic Change</b></p> <p>An Essay on “Change Agents” by Carol Tice <a href="http://www.entrepreneur.com/article/printthis/176958.html">http://www.entrepreneur.com/article/printthis/176958.html</a></p> <p>Wikipedia Entry on Creative Destruction: <a href="http://en.wikipedia.org/wiki/Creative_destruction">http://en.wikipedia.org/wiki/Creative_destruction</a></p> <p>Example: Changes in Farming: <a href="http://www.ers.usda.gov/publications/EIB3/eib3.pdf">http://www.ers.usda.gov/publications/EIB3/eib3.pdf</a></p>
<p>1/24/2011</p>	<p style="text-align: center;"><b>The Business Plan:</b></p> <p>“The Elements of a Business Plan: First Steps for New Entrepreneurs.” This article, written by Cole Ehmke and Jay Akridge, gives a brief overview of what should be in the business plan: <a href="http://www.ces.purdue.edu/extmedia/ec/ec-735.pdf">http://www.ces.purdue.edu/extmedia/ec/ec-735.pdf</a></p> <p>Sample Business Plans: <a href="http://www.bplans.com/sample_business_plans/index.cfm">http://www.bplans.com/sample_business_plans/index.cfm</a></p> <p>SBA Template for a Business Plan: <a href="http://web.sba.gov/busplantemplate/BizPlanStart.cfm">http://web.sba.gov/busplantemplate/BizPlanStart.cfm</a></p> <p>“Why Business Plans Don’t Deliver” An article by John W. Mullins on common mistakes and pitfalls in creating a business plan from the <i>MIT Sloan Management Review</i>: <a href="http://sloanreview.mit.edu/executive-adviser/articles/2009/2/5121/why-business-plans-dont-deliver/">http://sloanreview.mit.edu/executive-adviser/articles/2009/2/5121/why-business-plans-dont-deliver/</a></p>
<p>1/26/2011 1/28/2011 1/31/2011 2/2/2011</p>	<p style="text-align: center;"><b>Assessing Your Market</b></p> <p>An overview of Supply and Demand Class Handout</p> <p>Assessing Consumer Demand Class Handout</p> <p>Census Data: <a href="http://www.census.gov/">http://www.census.gov/</a></p> <p>Using focus groups: <a href="http://assessment.aas.duke.edu/documents/How_to_Conduct_a_Focus_Group.pdf">http://assessment.aas.duke.edu/documents/How_to_Conduct_a_Focus_Group.pdf</a> <a href="http://managementhelp.org/evaluatn/focusgrp.htm">http://managementhelp.org/evaluatn/focusgrp.htm</a></p> <p>Demand is important, but just because there is strong demand for a product, this</p>

	<p>does not, in itself, mean that suppliers of that product will be profitable. To understand this, you need to consider the competitive framework.</p> <p>Porter's Five Forces Framework for Assessing Competition  <a href="http://www.ces.purdue.edu/extmedia/ec/ec-722.pdf">http://www.ces.purdue.edu/extmedia/ec/ec-722.pdf</a></p> <p>Monopoly Power:  <a href="http://en.wikipedia.org/wiki/Monopoly#Sources_of_monopoly_power">http://en.wikipedia.org/wiki/Monopoly#Sources_of_monopoly_power</a></p> <p>Applications &amp; Examples to be chosen by the class.</p> <ul style="list-style-type: none"> <li>• Actual and Potential Competitors</li> <li>• On Market Structure and Profits</li> <li>• Creating and Capturing Value</li> <li>• Firm Behavior and Market Power</li> <li>• Obtaining and Maintaining Market Power in Order to Sustain Profits</li> </ul>
<p>2/4/2011 2/7/2011 2/9/2011</p>	<p style="text-align: center;"><b>Financing Issues:</b></p> <p>Summary Wikipedia entry:  <a href="http://en.wikipedia.org/wiki/Venture_capital_financing">http://en.wikipedia.org/wiki/Venture_capital_financing</a></p> <p>Angel Investors:  <a href="http://en.wikipedia.org/wiki/Angel_investor">http://en.wikipedia.org/wiki/Angel_investor</a></p> <p>Cash Flow Statement:  <a href="http://en.wikipedia.org/wiki/Cash_flow_statement">http://en.wikipedia.org/wiki/Cash_flow_statement</a></p> <p>SBA Report on Small Business Financing in the US:  <a href="http://www.sba.gov/advo/research/09finfocus.pdf">http://www.sba.gov/advo/research/09finfocus.pdf</a></p>
<p>2/11/2011</p>	<p>Exam No. 1 Distribution (Due 2/19/'09)</p>
<p>2/16/2011 2/18/2011 2/21/2011 2/23/2011</p>	<p style="text-align: center;"><b>In Class Videos and Class Discussion</b></p> <p><u>A Video Documentary on a Start-Up that eventually failed:</u>  <u>E-Dreams: The Story of Kozmo.com:</u>  Wikipedia Article on Kozmo:  <a href="http://en.wikipedia.org/wiki/Kozmo.com">http://en.wikipedia.org/wiki/Kozmo.com</a>  What did they sell (with additional links):  <a href="http://answers.google.com/answers/threadview/id/431068.html">http://answers.google.com/answers/threadview/id/431068.html</a>  The Bankruptcy of Kozmo:  <a href="http://www.forbes.com/2001/04/12/0412topnews.html">http://www.forbes.com/2001/04/12/0412topnews.html</a>  What happened next, etc.:  <a href="http://money.cnn.com/2005/09/14/technology/kozmo_redux/index.htm">http://money.cnn.com/2005/09/14/technology/kozmo_redux/index.htm</a>  <a href="http://www.thestandard.com/news/2008/05/29/where-are-they-now-kozmo-com">http://www.thestandard.com/news/2008/05/29/where-are-they-now-kozmo-com</a>  <a href="http://www.techflash.com/seattle/2009/09/former_kozmocom_ceo_park_leaves_amazon_askville_for_biblegateway.html">http://www.techflash.com/seattle/2009/09/former_kozmocom_ceo_park_leaves_amazon_askville_for_biblegateway.html</a></p> <p><u>A Video Documentary on a Start-Up that succeeded beyond the founders' wildest dreams:</u></p>

	<p><u>The Google Boys:</u>  Wikipedia Article on Google:  <a href="http://en.wikipedia.org/wiki/Google">http://en.wikipedia.org/wiki/Google</a>  Milestones &amp; History:  <a href="http://www.google.com/corporate/history.html">http://www.google.com/corporate/history.html</a>  The Founders of Google:  <a href="http://en.wikipedia.org/wiki/Sergey_Brin">http://en.wikipedia.org/wiki/Sergey_Brin</a>  <a href="http://en.wikipedia.org/wiki/Larry_Page">http://en.wikipedia.org/wiki/Larry_Page</a></p> <p><u>Article on the causes of start-up failures:</u>  <a href="http://www.moyak.com/papers/small-business-failure.html">http://www.moyak.com/papers/small-business-failure.html</a></p>
<p>2/25/2011  2/28/2011  3/2/2011  3/4/2011</p>	<p><b>The Nuts &amp; Bolts of Starting a New Business, Government Regulations, etc.:</b></p> <p>SBTDC:  <a href="http://www.sbtcd.org/pdf/startup.pdf">http://www.sbtcd.org/pdf/startup.pdf</a></p> <p>Summary Articles on Business Licenses and Permits:  <a href="http://www.entrepreneur.com/article/printthis/13580.html">http://www.entrepreneur.com/article/printthis/13580.html</a>  <a href="http://www.entrepreneur.com/article/printthis/38882.html">http://www.entrepreneur.com/article/printthis/38882.html</a></p> <p>An Overview of North Carolina Business Licensing and Regulatory Compliance:  <a href="http://www.nccommerce.com/NR/rdonlyres/CC5488D0-9B3E-4C32-BEF4-4B88630CE3F1/0/BusinessNotes.pdf">http://www.nccommerce.com/NR/rdonlyres/CC5488D0-9B3E-4C32-BEF4-4B88630CE3F1/0/BusinessNotes.pdf</a></p> <p>Instructions on how to apply for a Fayetteville privilege license:  <a href="http://www.fayettevillenc.net/fayprivilege.htm">http://www.fayettevillenc.net/fayprivilege.htm</a></p> <p>Federal Government Information Portal for Businesses that has links on how to find grants and loans, how to register a business name, how to get info on incorporating a business, how to start a home-based business, how to become an independent contractor and proper steps for hiring employees:  <a href="http://www.business.gov/">http://www.business.gov/</a></p> <p>Small Business Administration Services:  <a href="http://www.sba.gov/services/index.html">http://www.sba.gov/services/index.html</a>  <a href="http://www.sba.gov/smallbusinessplanner/index.html">http://www.sba.gov/smallbusinessplanner/index.html</a>  <a href="http://search.business.gov/startLoans.html">http://search.business.gov/startLoans.html</a>  <a href="http://www.sba.gov/financialassistance/borrowers/guaranteed/">http://www.sba.gov/financialassistance/borrowers/guaranteed/</a></p> <p>IRS help with registering EIN:  <a href="http://www.irs.gov/businesses/small/article/0,,id=102767,00.html">http://www.irs.gov/businesses/small/article/0,,id=102767,00.html</a></p> <p>What can happen if you do not have the proper license, etc.:</p>

	<a href="http://www.carolinajournal.com/exclusives/display_exclusive.html?id=7067">http://www.carolinajournal.com/exclusives/display_exclusive.html?id=7067</a>
3/7/2011 Through 3/11/2008	Spring Break
3/14/2011 3/16/2011	<b>Group Assignments</b>
	<p align="center"><b>Change Agents &amp; Entrepreneurs</b></p> <p>Definition:  <a href="http://it.toolbox.com/blogs/original-thinking/what-is-a-change-agent-23764">http://it.toolbox.com/blogs/original-thinking/what-is-a-change-agent-23764</a>          Tips for change agents:  <a href="http://www.fastcompany.com/magazine/05/changetips.html">http://www.fastcompany.com/magazine/05/changetips.html</a>  <a href="http://www.chacocanyon.com/essays/tipsforchange.shtml">http://www.chacocanyon.com/essays/tipsforchange.shtml</a>          ? Change Drivers  <a href="http://ide.ed.psu.edu/change/diffusion-examples.htm">http://ide.ed.psu.edu/change/diffusion-examples.htm</a>          Famous entrepreneurs:  <a href="http://entrepreneurs.about.com/od/famousentrepreneurs/Famous_Entrepreneurs.htm">http://entrepreneurs.about.com/od/famousentrepreneurs/Famous_Entrepreneurs.htm</a>  <a href="#">m</a></p>
3/18/2011 3/21/2011	<p align="center"><b>Keeping it all in the Proper Perspective:</b></p> <ul style="list-style-type: none"> <li>• An Overview of Critical Concepts</li> <li>• Ideas and Profits: On Seeing the Forrest for the Trees</li> <li>• Illustrative Examples</li> </ul>
3/23/2011 3/25/2011	<p align="center"><b>Legal and Ethical Issues:</b></p> <ul style="list-style-type: none"> <li>• Ethics &amp; Trust</li> <li>• Legal Foundations</li> <li>• Dealing with Lawyers</li> <li>• Organization &amp; Legal set-up of the Firm</li> </ul>
3/28/2011	Exam No. 2 Distribution (Due 4/4/2011)
4/1/2011 4/4/2011 4/6/2011	<p align="center"><b>Practical Issues</b></p> <ul style="list-style-type: none"> <li>• Stone Soup</li> <li>• Team Building</li> <li>• Rules of Engagement</li> </ul>
4/8/2011 4/11/2011	<p align="center"><b>Intrapreneurship &amp; Organizations:</b></p> <ul style="list-style-type: none"> <li>• Markets, Organizations and the Role of Prices</li> <li>• Coase and the Theory of the Firm</li> <li>• Strategies for Operating in Markets vs. Strategies for Operating in Organizations</li> <li>• Organizational Change</li> <li>• Intrapreneurship</li> </ul>

<p>4/13/2011 Through 4/29/2011</p>	<p>Cases &amp; Examples: The last part of the course will focus on a series of specific cases and examples of entrepreneurship and economic change.</p> <p>There is a lot to choose from here and it will be up to the class to decide what we should focus on. Note that it can be just as interesting to look at innovations that failed as innovations that succeeded. As an example we might consider things like the following:</p> <ul style="list-style-type: none"> <li>• Individual Entrepreneurs from Benjamin Franklin to Ben &amp; Jerry’s</li> <li>• Technological Entrepreneurship: The cases of Microsoft, Dell, Apple et al.</li> <li>• Sam Walton and the creation and growth of Walmart and the Walmart Effect (With a focus on Walmart's innovations relating to cost savings, distribution networks, negotiations with suppliers, etc.)</li> <li>• Enron (With a focus on corporate innovations and changes in corporate structure that had unintended and disastrous consequences).</li> <li>• Entrepreneurship, Financial Innovation, the Banking Industry and the Current Economic Crisis (With some focus on how changing government regulations create opportunities and problems for banks and how some financial institutions responded by creating innovations that fundamentally changed the banking industry.)</li> <li>• Successful small businesses, for example Cherrybrook Kitchen (<a href="http://www.cherrybrookkitchen.com/">http://www.cherrybrookkitchen.com/</a>) The Mill (<a href="http://www.millcoffee.com/">http://www.millcoffee.com/</a>) , etc.</li> <li>• The Restaurant Business (ranging from McDonalds to a variety of local restaurants)</li> <li>• Coffee houses (ranging from Starbucks to local Fayetteville coffee houses)</li> </ul>
	<p>Business Idea Paper Due on 4/29/2011</p>
<p>5/4/2011 12:00-13:50 p.m.</p>	<p>Student 2 minute “elevator pitch” presentation of business idea in class followed by short Q&amp;A</p>

## IX. TEACHING STRATEGIES

Most of the course will consist of lectures and class discussions. The course will rely heavily on student input. In this course, even though there is a given list of topics to be covered, the students will have some say in how each of these topics is handled. In particular, the students will decide which cases will be examined in the class.

## X. BIBLIOGRAPHY

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A. V. Bhidé. *The Origin and Evolution of New Businesses*. Oxford University Press: January 2000.

J. A. Brickley, C. W. Smith, J. L. Zimmerman. *Managerial Economics and Organizational Architecture*. (3<sup>rd</sup> edition). Boston: Irwin-McGraw-Hill, 2004.

C. Fishman. *The Wal-Mart Effect*. New York: The Penguin Press, 2006.

Steven K. Gould, *Entrepreneur's Notebook*, Learning Ventures Press, 2008.

Thomas L. Friedman. *The World Is Flat*. Farrar, Straus and Giroux, 2006.

D. F. Kuratko and J. S. Hornsby. *New Venture Management: The Entrepreneur's Roadmap*. Pearson Prentice-Hall, 2008.

Michael E. Raynor. *The Strategy Paradox: Why committing to success leads to failure (and what to do about it)*. Broadway Books, 2007.

E. M. Rogers and E. Rogers. *Diffusion of Innovations*, 5th Edition, Free Press, 2003.

Phil Rosenzweig. *The Halo Effect: ... and the Eight Other Business Delusions That Deceive Managers*. Free Press, 2008.

Gordon Walker. *Modern Competitive Strategy* (2<sup>nd</sup> Edition) McGraw-Hill. 2007.