Course Title: **Business Development and Managing Startup Firms**

Course Number: 099856
Number of credit points: 2
Mini-Semester: of the Academic Year: 2019
Time: Thursdays, 18:00 – 21:30

**Course Instructor:** Dr. Ze'ev Ganor
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**Syllabus:**

**Course overview:**
Managing Startup Firms is an elective practical course in entrepreneurship, which practices the most important steps that entrepreneurs need to take in their entrepreneurial process from inception to an exit or to building of a big company. It offers practical information and strategies for a new venture to assure long term growth and sustainable business development. The course covers topics, in the context of a startup firm, with a variety of topics such as new firm foundation, entrepreneurial management, team formation and leadership, recruiting and managing Board members and advisors, Intellectual Property, entrepreneurial financing, managing cash flow, and exits strategies and procedures.
Course Objectives:

- Learning the legal and tax aspects of the foundation of new firms;
- Learning the structure and issues of the Founders Agreement;
- Learning Intellectual Property strategy and patent searching;
- Learning to recruit and maintain valuable BOD and Ad Board members;
- Designing the structure of a new startup stock and equity;
- Planning and managing the ESOP (Employees Stock Ownership Plan);
- Planning & evolving the Business Model;
- Planning & managing the first startup Budget & Financial Forecasts;
- Managing the First Customers;
- Learning the various Valuation Methods of new firms;
- Learning the various Financing Resources;
- Planning your Investments Rounds;
- Learning how to negotiate and work with Investors;
- Learning the structure and major issues of the Term Sheet;
- Learning Exit Methods & Strategies;
- Learning from experienced entrepreneurs and practitioners.

Outline of the course:

The course draws from the experience of successful entrepreneurs and practitioners. It provides practical information, including the "Dos" and "Don'ts", which are necessary to increase the chance for successfully building a fast growing firm and creating a significant value. The course sessions include elements from various aspects such as general management, business, legal, human resources, financing and more. In some of the class sessions guest lecturers, such as successful founders, venture capitalists, lawyers, tax experts and other practitioners, will draw from their experiences on the various course's topics. The course includes readings, exercising assignments and submitting a final project assignment (team grade). For the final project assignment, groups of 3-4 students each will create Entrepreneurial Teams of new high-tech ventures. Each team will go through the process of founding and building a new high-tech startup firm and will prepare the necessary documents as well as their new venture’s plan. These documents and plans will include all concepts and practical information taught in the course, from the Founders Agreement through all stages till reaching a Positive Exit or growing a big firm.
**Course grading:**
Attendance in all lectures is highly recommended since best learning is by interaction in class (minimum 80% is compulsory).

- Class participation (presence & contribution) 20% (individual grade)
- Exercises 20% (team grade)
- Final Assignment 60% (team grade)

Total 100%

**Reading material for the course:**

Thiel, Peter and Masters, B. (2014) *Zero to One: Notes on Startups, or How to Build the Future*

**Recommended Reading:**

Osterwalder, A. et. al. (2014) *Value Proposition Design: How to Create Products and Services Customers Want*

Other articles will be posted on Moodle.
Session 1: Course Introduction; The Legal Aspects of the New Venture

Lecture
- Course overview & requirements
- The legal aspects of the foundation of new firms:
  - Forms of Incorporations (Ltd, Inc, LLC);
  - The Venture’s Organs;
  - The Board of Directors;
  - The Founders Agreement;
  - The Article of Association;
  - The venture’s Name, Logo and Website;
  - The New Venture’s Registration;
  - The Venture's Attorney and CPA;
  - Choosing the BOD and Ad Board Members;
  - Managing Your Boards

Guest Lecture
- Senior Attorney: Legal aspects of the new firm foundation and the Founders Agreement

Session 2: Stock & Equity and Tax Aspects of New Ventures

Lecture
- Basics of Stock and Options in new ventures
- The Employees Stock Ownership Plan (ESOP):
  - Plan’s Concepts and Structure
  - How much equity employees deserve?
  - Vesting concepts & methods
- Tax issues in Foundation and Exits

Guest Lecture
- Senior Tax Consultant: Tax aspects of New Firm Foundation, Exits, and ESOP

Session 3: Intellectual Property

Lecture
- Intellectual Property Strategy;
- Managing your Patent Portfolio;
- Practicing Patent Searching in the various patent data bases
Sessions 4: Planning and Building your Startup Firm

Lecture
• Planning & evolving the Business Model
• Managing Customers’ Relationship
• Managing the sites of the Alpha and Beta prototypes
• Recruiting and maintaining your valuable BOD and Ad Board members

Session 5: Planning & Managing Your Budget & Financial Forecasts

Lecture
• Forecasting your costs
• Forecasting your revenue
• Preparing and controlling your budget
• Managing the cash flow and planning your Investment Rounds
• The financial projections of the Business Plan

Session 6: Financing & Investment Rounds

Lecture
• Valuation Methods of new firms
• Financing Resources
• The Basics and Structure of the Term Sheet of VC financing
• What investors are looking for?
• How to negotiate with investors during your investment rounds?
• How to reach a successful Exit in harmony with your investors?

Sessions 7: Exit Strategies and Procedures

Guest Lecture
• Successful Entrepreneur

Lecture
• Exit Strategies and Procedures
  o M&As, IPOs
  o The Investment Bank
• Final Project Assignment Review
• Course wrapping up