

Entrepreneurial Finance

December 2022

Class location: Bloomfield Room 527

Class Meeting times – lectures & tutorials Mondays 5 & 12 December 2022 2-8pm

Instructor: Michael Ehrlich Bloomfield Room 310 & email: ehrlich@njit.edu
Office Hours: Monday 12 Dec 11am-1pm and by appointment

Prerequisites: Accounting, Corporate Finance

Co-requisites: NA

Courses Without Credit: NA

Credits: 1

Background of Instructor:

Michael Ehrlich, PhD, had an international Wall Street career before he started a small technology company that he sold in 2007. At the NJIT Martin Tuchman School of Management, Ehrlich founded the New Jersey Innovation Acceleration Center and is the Director of the Henry J and Erna D Leir Research Institute for Business, Technology, and Society. Ehrlich received his doctorate from Princeton University and bachelor's degree from Yale University

Course Goals and Description

Entrepreneurs who develop new ideas and products can create value and change the world. In order to gain control of the needed resources, entrepreneurs must identify and exploit financially rewarding opportunities whether they are seeking to start a new company or develop new business lines in an existing company. This course develops some of the tools needed to conduct financial planning, assess expected financial performance, identify financing needs, and provides guidance on business valuation and deal making. Investors in new ventures can also use these tools. Students will be expected to develop their own idea for a new venture during this course.

Learning Outcomes

Learning Goal 1: Understanding of Entrepreneurial Finance Concepts & Problem Solving Skills

- **Learning Outcome 1.1**– Knowledge of entrepreneurial finance concepts and an ability to apply concepts to solve new venture problems
- **Learning Outcome 1.2**– Ability to analyze and use quantitative methods as tools to solve new venture problems

Learning Goal 2: Effective Communication Skills and Information Literacy

- **Learning Outcome 2.1**– Orally deliver new venture pitch and analysis of new

- venture financing
- **Learning Outcome 2.2** – Ability to search databases and locate relevant information to solve new venture problems

Learning Goal 3: Interact Effectively in Teams

- **Learning Outcome 3.1** – Ability to use team building behaviors to develop plans for a new venture

Learning Goal 4: Technological Skills

- **Learning Outcome 4.1** – Ability to use MS EXCEL in a complex analysis of new venture funding needs

Course Content/Topics

Day 1

Introduction to Entrepreneurial Finance

Refresh Time Value of Money and Financial Statement knowledge
Refresh Startup Storytelling – Business Plans and Business Models
Introduce NAVC Business Model
Startup Storytelling via Financial Projections

Introduction of Financial Projections Template
Form Teams for Workshop project

Workshop to develop financial projections

Day 2

Strategy with Real Options analysis

Strategic Games – refresh concepts
Strategic Game Tree for Startup Entry

Workshop to finalize financial projections and final presentation

Final presentations on business model (NAVC) and projections

Assignments and Grading Procedures

Grades will be assigned based on class participation (25%) and on the final presentations (75%). The presentation grading rubric will be posted in Moodle.

This class has three components that are designed to help you gain a solid understanding of new venture finance. The first is, of course, the lectures that will help to guide you through the material and focus your studies. The second is our class workshops and presentations

where students must prepare conscientiously and participate actively.

Participation is an important part of your grade (25%). Those who participate actively and consistently by asking questions of both me and of other students will receive high participation grades. The third is the course site where course materials are posted and where you will find updated information. I will use the site to post all announcements, and supplemental materials. **So, please be sure to check the site frequently.**

Course Schedule (Topics, assignments, Exams)

The course topics will be covered as per the course content above.
There will be no exams or assignments other than the final presentations.

Course Requirements & Course Policies

As per Technion IEM policy.

Accommodation for Students with special needs

As per Technion IEM policy.

Text book(s) and/or other materials

We will be using Moodle for course materials.

There will be no required course textbook.

An optional textbook: *Entrepreneurial Finance* by Smith, Smith and Bliss, Stanford University Press 2011 ISBN: 978-0-8047-7091-0

Academic Integrity

As per Technion IEM policy.

Other useful information for students