

**ENT 470**  
**Managing an Entrepreneurial Start-up**  
**Spring, 2023**  
**T 4:30-6:30pm HBB 327**

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Office Hours 2:00-3:00 T at <https://tennessee.zoom.us/j/2054286098> and by appointment

**COURSE DESCRIPTION:**

The long-term strength of the US economy depends on the continual creation of new entrepreneurial companies. This course is intended for students who plan at some time start or join a young company, help spin-out a company from a major corporation or University, or enter the venture capital sector.

Start-up companies have a high failure rate. Acquiring and balancing limited resources, changing direction quickly, building a coherent team, managing intellectual property, and creating new markets all test a wide range of managerial skills not usually demanded in one person within a larger organization. Whereas a large company has a strong and well-defined structure and ample resources to deal with unexpected challenges, a start-up usually has insufficient resources and/or management experience, and yet must deal on a daily basis with important and often unpredictable forces. You will be exposed to these tensions and what it is like to start and grow a new company.

Entrepreneurship is often described as the ability to deal with ambiguity or seeming paradoxes. Each of the management themes analyzed in the course are couched in terms of the ambiguity and paradoxes you will face. Thinking about how to manage these challenges will help you develop the skills to be able to deal with uncertainty under stress.

This course takes you through all the key phases of a start-up from opportunity identification, company formation, planning, bootstrapping, raising different kinds of financing, recruiting, building a team and unique culture, negotiating, storytelling, dealing with the various changes you will face and balancing all the competing pressures and interests you must deal with. This course emphasizes the MANAGEMENT of early stage, fast-growing companies. Thus, it focuses mainly on the issues of start-up leadership. After all, it is the founder's management inexperience more than the business idea that typically leads to the high failure rate for start-ups.

This course is built around a real case: Neoforma Inc. You will follow this company from its inception to its eventual sale to a large company via a first-person account written by one of its

founders, Wayne McVicker. After reading and analyzing the events involved in Neoforma's start-up, you will be asked to apply your insights in handling related cases and scenarios.

This course is open to all Undergraduates from any College on campus. Many of the class activities will be conducted in teams. Thus, you will likely be on a team with individuals whose backgrounds and domains of expertise are very different than your own.

*The syllabus is constructed around the principals of Problem-Based Learning. Class sessions will be in a workshop or seminar format, where you will be expected to develop and present your ideas in written and oral formats, comment on cases and videos, solve problems, and pose questions from the reading materials. Do not expect to be solely taught through lectures; rather you will learn by experiencing and contributing to discussions of real situations. Depending on their availability, I will invite entrepreneurs to come to the class sessions to share their own experiences.*

### **REQUIRED COURSE MATERIALS:**

This course will use as its text a monthly diary of Neoforma, published by one of the founders, Wayne McVicker. The book is entitled *Starting Something* (ISBN 1-932881-10-26) and is a **mandatory text** for the course. **It is available on Amazon.com and through other online booksellers.**

In addition, many of the key participants in the Neoforma story graciously agreed to be interviewed and video recorded for this course. You will therefore have the opportunity to see and hear them reflect on each of the critical situations with which you will be confronted so you can experience the complexity of decision making and stresses imposed on the principals. Each assignment requires reading selected diary chapters and reviewing video clips from both insiders and outsiders close to the company. Links to each week's video are provided in the weekly topic folders on Canvas. You can stream them or download each file. Most weeks you will also answer a set of questions about the readings and videos that require you to demonstrate critical thinking skills and the ability to convey your ideas and insights through both written and oral communications.

There are also some content readings on specific topic areas that you will prepare each week. **These readings are available in a course packet Via Harvard Business School publishing. You can purchase the course pack through this link:**  
**<https://hbsp.harvard.edu/import/1017324>**

There will also be a few readings made available to you on Canvas for specific classes.

### **GRADING:**

Grading is based both on team and individual efforts as follows:	
Class Contribution	25%
Written Team Assignments and Presentations	45%
Individual Written Assignment	30%

## Grading Scale

A > 92	C 73-76.75
A- 90-92	C- 70-72.75
B+ 87-89.75	D+ 67-69.75
B 83-86.75	D 63-66.75
B- 80-82.75	D- 60-62.75
C+ 77-79.75	F < 60

### **1. Class Contribution.** The best comments demonstrate that you can do three things:

a. **Listen** – Your comments should fit into the discussion by being based on the previous comments of your classmates. Hint: Comments which begin by paraphrasing a classmate’s prior comment can be especially effective, e.g., “Eva’s comment about the “not-invented here syndrome...”. However, giving the same response a classmate has just given shows you weren't listening. You need to add something new to the conversation.

b. **Think creatively, critically and analytically** – Simply regurgitating case facts is not analysis. I will be looking for you to interpret and draw insights and conclusions from the course material, and apply concepts from the readings to understand the underlying the incidents described.

c. **Pose critical questions** – Too often we seek answers, rather than good questions, and asking critical, probing questions is a key skill entrepreneurs need to develop if they are going to successfully navigate the complexities and ambiguity of starting a new company.

d. **Articulate** – This is extremely difficult to do and requires practice. It is particularly important for an entrepreneur who is constantly trying to get others to do something they may not be inclined to do (i.e., take a risk on them). Our class will be a safe environment for sharpening these skills. Be concise and to the point. In particular, there may be visiting entrepreneurs to this class, and you will be expected to engage them in dialog and ask probing questions.

**2. Written Team Assignments and Presentations.** There will be nine weekly short presentations due from each team after the first three weeks of the course. During the initial introductory period you will read the book *Starting Something* so that you understand the story and get acquainted with the key characters. You will work in teams for these assignments. **Every team will prepare a power point presentation and supporting commentary each week an assignment is due and upload it to the drop box on Canvas by 2:30pm Tuesday (Two hours BEFORE the start of class).** The power point slides should convey your arguments and main points. You will use the notes function to provide more detailed written information that underlies your thinking. I

expect all team members to contribute to both the slides and written material each week. The written notes will be in complete sentences (not bullet points) and will expand on and develop the ideas presented in the slides, not just repeat the same information. Each week I will select one team to present their analysis for class discussion. I will grade the presenters' slide show and notes, and the slides and notes for one or two other groups each week, so that **over the course of the semester every group will be graded on three sets of slides and notes**. You will not be notified in advance which team will present or which teams' assignments I will grade, so come prepared each week and be ready to talk. Dealing with uncertainty and being ready to go at a moment's notice is part of being an entrepreneur. This format helps you become accustomed to this circumstance.

Just like in a start-up, sometimes things don't work out with certain team members; they may not do their share of the work, or they perform at a substandard level. So, just like in a real start-up, your group will have the option to "fire" a team member. The process is as follows: 1) You will make the team member aware of the specific ways in which he or she is failing to perform and will give them opportunities to improve; 2) You will make me aware that there are issues with a team member's performance and let me know what steps have been taken to help the team member improve his or her performance; I will meet with the team and see if we can mediate a solution 3) If the team member's performance fails to improve, the group will let me know and can ask to fire the team member. If I approve the firing the fired team member has two options: 1) Get another group to "hire" him/her and complete the semester with that team; or 2) Complete all the remaining group assignments by him- or herself.

**3. Final Written Assignment.** This will test the complete course material and will be an *individual assignment*. ***You are not to discuss the assignment with anyone but me.*** I will present you with several scenarios that founders of start-ups typically face and ask how you will address these issues. You are expected to show insights and critical thinking in addressing these issues and explaining *what you would do and why* in each situation. This is a take-home, open book and open note assignment that will be due on the last day of class. **It must be uploaded to Canvas by 2:30pm the last day of class. If your assignment is not uploaded to Canvas before class begins and you sit through the final class session where we discuss the answers, you will receive a zero for this assignment.**

**4.** The technology policy in this class is that **computers remain closed and phones are set on vibrate or turned off and put away for the duration of the class session**. We only meet once a week, and there is no text or email so important that you can't wait until after class to respond to it. I post all of my slides after class is over, so you will have access to them. I encourage you to take notes in class; research has shown that hand writing notes leads to more effective learning than typing them. The reasons I have implemented this policy are two-fold: First, engaging with others in the class is a crucial part of the learning process; if you are distracting yourself with other things then you aren't engaging with your classmates, and if you are distracting your classmates because you are doing other things then they can't engage with their classmates as effectively, either. Second, it is rude. The message you send to whoever is speaking, whether it is me

or one of your classmates, is that whatever's on Facebook, Instagram or ESPN.com is more important than what the person has to say. If that's how you feel then stay home, surf the web to your heart's content, and accept the consequences of your absence. If you choose to attend class, then I expect you to extend the courtesy of your attention to everyone there and to avoid engaging in behaviors that distract them. **If I do see you using your computer or phone during class time, your class contribution grade for that day will be penalized.** If you contributed to the class discussion, you will be graded as if you attended but didn't contribute. If you did not contribute to the class discussion, you will be graded as if you were absent. If you have a family emergency or some other reason you might need to accept a call during class, that's fine. Let me know ahead of time and then step out of the room when you receive it.

## **SYLLABUS DETAILS:**

Note: the content of each class may change due to the availability of guest presenters.

**Week One: Introduction to the Course**

**Readings:**

During weeks 1-3 all students will “skim read” the book

**Week Two: Creating and Seizing Opportunity**

**Readings:**

Bhide: How Entrepreneurs Craft Strategies that Work

**We will form groups this week**

**Week Three: Storytelling**

**Readings:**

Gallo – selections from “The Storyteller’s Secret” (On Canvas)

**Week Four: The Entrepreneurial Mindset**

**Exercise 1: Situation Analysis, Mindset Paradoxes**

**Readings:**

Kuemmerle - A Test for the Fainthearted  
See Chart for Neoforma readings and videos

**Complete Locus of Control and Tolerance of Ambiguity Scales and email me your results before class (on Canvas)**

**Week Five: Networking**

**Exercise 2: Situation Analysis, Networking**

**Readings:**

Uzzi & Dunlap: How to Build your Network  
See Chart for Neoforma readings and videos

**Week Six: Bootstrapping**

**Exercise 3: Situation Analysis, Bootstrapping**

**Readings:**

Bhide - Bootstrap Finance: The Art of Start-ups  
See Chart for Neoforma readings and videos

**Week Seven:**

**Negotiating with Others**

**Readings:**

Fischer, Ury & Patton: Getting to Yes Chapter 1 – Don't Bargain Over Positions (On Canvas)

**In-class negotiation exercise. No preparation required. I will give you your role information in class.**

**Week Eight:**

**Raising Capital**

**Exercise 4: Situation Analysis, Angels**

**Readings:**

Angel Investors Overview (on Canvas)  
Working with Angel Investors (on Canvas)  
See Chart for Neoforma readings and videos

**Week Nine:**

**Partners**

**Exercise 5: Situation Analysis, Choosing a Partner**

**Readings:**

Spolsky – Partnering Decisions (On Canvas)  
Y Combinator – Equity Splits (On Canvas)  
See Chart for Neoforma readings and videos

**Week Ten:**

**Culture**

**Exercise 6: Situation Analysis, Creating a Culture**

**Readings:**

Christensen: What is an Organization's Culture?  
Kaplan & Warren: Developing a Strong Corporate Culture (On Canvas)  
See Chart for Neoforma readings and videos

**Week Eleven:**

**Hiring & Firing**

**Exercise 7: Situation Analysis, Hiring and Firing**

**Readings:**

Fernandez-Araoz: Hiring Without Firing

See Chart for Neoforma readings and videos

**Week Twelve:**

**Managing Change**

**Exercise 8: Situation Analysis, Managing Change**

**Readings:**

Wasserman - The Founder's Dilemma

Horowitz – Why we Prefer Founder-CEOs (On Canvas)

Hoffman – Why and How Founders Should Hire a  
“Professional” CEO (On Canvas)

See Chart for Neoforma readings and videos

**Week Thirteen:**

**VCS, IBs and Ethics**

**Exercise 9: Situation Analysis, Ethics**

**Readings:**

Kaplan & Warren: Conflicts of Interest (on Canvas)

See Chart for Neoforma readings and videos

**Week Fourteen:**

**Summary of Course**

**Final Project: Open Book Final Essay Assignment Due**



<p style="text-align: center;"><b>This chart is the guide to weekly readings and videos to be studied PRIOR to class discussions.</b></p> <p style="text-align: center;">(Note: there is some repetition as the material may be related to more than one topic).</p>									
Week	4	5	6	8	9	10	11	12	13
Topic	Mindset	Networks	Bootstrapping	Angels	Partners	Culture	Hiring & Firing	Change Management	VC's & Ethics
Video	The Mindset, the Passion, the Idea. Do you have what it takes?	Seven Degrees of Separation	Your Money, My Life: the Pros and Cons of Bootstrapping	Angels: more than just Investors	The Ying and Yang of Business	Culture: Invisible, Intangible, Important	Using your Head and Trusting Your Gut	Change Management. OK, you've arrived, now step aside.	VC's & Investment Bankers: When the Stakes get high, Ethics get low.
Book Chapter									
Inking It	X		X						
The Prequel	X				X				
The Frontier	X		X						
Borderline							X		
Two Worlds						X			
Casting							X		
Confidence	X								
The Majors -Pt 1									
The Contract			X						
The Mentor		X		X					
Angels		X	X	X					
The Audience	X								
A Square Peg		X							
The Producers		X		X					X
Top Billing	X		X	X	X				
The Web		X							
Tweening			X						
East Meets West	X				X			X	
The Screenplay		X		X					
Identity		X		X					
A Hard Landing									X
A Round Hole				X					X
Public Relations		X		X	X				X
Walla					X	X	X		
Spinning Rooms			X						
A Flashback	X					X			
A Classic Scene		X					X		
Focus						X		X	
Make-up and Hair					X		X		
Bluescreen		X			X				
The Coup					X				X
Discontinuity								X	
The Masters							X		
The Star		X					X	X	
The Cast							X	X	

Pick-ups						<b>X</b>			
The Ramp				<b>X</b>	<b>X</b>				<b>X</b>
Starving Artist									
The Premiere									<b>X</b>
Fortune									
Fame						<b>X</b>			
The Majors -Pt 2									
Cliffhanger							<b>X</b>		
Royalties					<b>X</b>				
Continuity						<b>X</b>			
The Sequel	<b>X</b>							<b>X</b>	

## UNIVERSITY POLICIES

### **Disability Statement:**

Any students who feel they may need an accommodation based on the impact of a disability should contact me privately to discuss specific needs. The Office of Disability Services at 865-974-6087 / [ods@utk.edu](mailto:ods@utk.edu) / 100 Dunford Hall will assist in coordinating reasonable accommodations for students with documented disabilities.

### **Academic Honesty:**

The Honor Statement of the University of Tennessee states that:

An essential feature of the University of Tennessee at Knoxville is a commitment to maintaining an atmosphere of intellectual integrity and academic honesty. *“As a student of the University, I pledge that I will neither knowingly give nor receive any inappropriate assistance in academic work, thus affirming my own personal commitment to honor and integrity.”* (*Hilltopics 2015-2016, page 73*)

All students taking this course have agreed to the Honor Statement and Standards of Conduct set forth in *Hilltopics* and the disciplinary procedures set forth thereafter. In particular, students acknowledge that they have read and understand the University’s policy on Academic Honesty.

The University of Tennessee expects each and every student to maintain the highest principles of academic honesty and integrity. Violations of academic honesty represent a breach of the University’s expectations and will be vigorously pursued to the fullest extent of university policy. Violations include, but are not limited to: plagiarism, cheating, unauthorized collaboration, falsification, and multiple submissions.

### **University Civility Statement:**

Civility is genuine respect and regard for others: politeness, consideration, tact, good manners, graciousness, cordiality, affability, amiability and courteousness. Civility enhances academic freedom and integrity, and is a prerequisite to the free exchange of ideas and knowledge in the learning community. Our community consists of students, faculty, staff, alumni, and campus visitors. Community members affect each other’s well-being and have a shared interest in creating and sustaining an environment where all community members and their points of view are valued and respected. Affirming the value of each member of the university community, the campus asks that all its members adhere to the principles of civility and community adopted by the campus:

<http://civility.utk.edu/>.

### **Your Role in Improving Teaching and Learning Through Course Assessment:**

At UT, it is our collective responsibility to improve the state of teaching and learning. During the semester, you may be requested to assess aspects of this course either during

class or at the completion of the class. You are encouraged to respond to these various forms of assessment as a means of continuing to improve the quality of the UT learning experience.

**Key Campus Resources for Students:**

- [Undergraduate Catalog](#): (Listing of academic programs, courses, and policies)
- [Graduate Catalog](#)
- [Hilltopics](#): (Campus and academic policies, procedures and standards of conduct)
- [Course Timetable](#): (Schedule of classes)
- [Academic Planning](#): (Advising resources, course requirements, and major guides)
- [Student Success Center](#): (Academic support resources)
- [Library](#): (Access to library resources, databases, course reserves, and services)
- [Career Services](#): (Career counseling and resources; HIRE-A-VOL job search system)
- [Student Health Center](#) (visit the site for a list of services)
- OIT Help Desk: (865) 974-9900