

PROGRAM SYLLABUS – Version of 3/3/2020

ENTREPRENEURSHIP – CSE490A, CSE599A1, CSEP590D, ENTRE532A,B

UNIVERSITY OF WASHINGTON

WEDNESDAYS, 6:00-9:15 PM, PACCAR 291

Winter 2020

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Office Hours: Saturdays and Sundays, 10 am to noon (by appointment)
All assignments should be emailed to Athena Duran – athena at psl.com

COURSE OBJECTIVES

The course objectives are two-fold: (1) to develop an awareness and understanding of the range, scope, and complexity of issues involved in starting a technology business; and (2) to gain insight into how entrepreneurs conceive, adapt, and execute strategies to create new, successful businesses.

COURSE OVERVIEW

This course is about entrepreneurship and specifically about starting, growing, managing, leading, and ultimately exiting a new venture. Of all the courses you take at the University of Washington, this one will likely be the most hands-on. Sixty percent of your grade will be based on pitches, product demos, and a business plan that you develop with your team.

The course sessions will follow the natural order of starting a new business: choosing your idea and your team, validating that idea with customers, honing your initial pitch, dealing with the legal issues of starting a business, building a great product, deciding among financing strategies, developing a go-to-market and operating plan, and exiting successfully. We will spend part of nearly every three-hour block giving you feedback on your actual pitch, your product, and your business generally. To ensure that this course is practical, we will invite numerous guests who are currently working in the venture ecosystem: CEOs, venture capitalists, lawyers, journalists, and others involved in the startup community.

BACKGROUND READING

Peter Thiel, [Zero to One](#)

GRADING

Grading for the class will be as follows:

Class Contribution	25%
Class Assignments	15%
Term Project (in-class presentations, final presentation, and written material)	60%

DETAILED SYLLABUS, READINGS, AND ASSIGNMENTS

Class #1: Wednesday, January 8, 2020 Introduction to Entrepreneurship

- Hour 1: Course Overview and Expectations (Greg Gottesman)
Intro to Entrepreneurship and Company Building (Greg Gottesman)
- Some Thoughts on Business Plans (HBS Case #9-897-101)
- What are the key components of a successful venture?
 - What are the key components of a business plan?
 - How do the key components of a successful venture and the key components of a successful business plan differ?
- Hour 2: Five Funding Tips in 15 Minutes or Less (Greg Gottesman)
Choosing Your Teams (Greg Gottesman)
- Read:** David Cohen, Brad Feld, Theme 3: Idea and Vision, Do More Faster, pp 3-14
- Hour 3: Case study: Cash (Guests: **Leonardo Estrada** (CEO), **Esteban Posada** (CTO), **Francisco Mendoza** (VP Product))

Assignment Due on January 15: Come to class prepared to make a persuasive one-minute pitch of a new business idea and product that you would like to build. Reading Zero to One might help with idea generation.

Class #1.5: Wednesday, January 15, 2020 (5 pm in CSE 691) Optional Book Review Session

- Read:** Peter Thiel, Zero to One
- Hour 1: Discuss Zero to One and new ideas for potential pitches

Class #2: Wednesday, January 15, 2020 Generating Startup Ideas and Teams

- Read:** Guy Kawasaki, The Art of Pitching, Chapter 3
Peter Thiel, Zero to One
- Watch:** <http://www.geekwire.com/2011/airbnb-pet-introducing-place-rover/>
<https://www.geekwire.com/2011/video-top-pitches-techstars-seattle/>
- Hour 1: Student One-Minute Business Pitches
- Hours 2-3: Choosing Your Idea and Forming Teams

Assignment Due on January 22: Prepare as a team a three-minute pitch (up to 10 slides) of your team's startup idea. **(Note: These pitches will be a recurring assignment for the rest of the course.)**

Class #3: Wednesday, January 22, 2020
Customer Validation

- Hour 1: Acquiring Customers Using Facebook and Google (Guest: **Peter Denton**, Marketing Lead, Pioneer Square Labs)
- Hour 2: Thinking About Customer Acquisition & Distribution (Guest: **Gaurav Oberoi**, CEO & Founder, Lexion.ai)
- Hour 3: Student Pitches with Feedback (Peter Denton & Gaurav Oberoi)

Assignment Due on January 29: Prepare as a team a one-to-two page Amazon-style, customer-centric press release about your startup idea.

Class #4: Wednesday, January 29, 2020
Building Product

- Hour 1: Prototyping Your Product (Guests: **David Zager & Ben Gilbert**, Pioneer Square Labs)
- Hour 2: Case study: Boundless (Guest: **Xiao Wang**, CEO, Boundless)
- Hour 3: Student Pitches with Feedback (David Zager, Ben Gilbert & Xiao Wang)

Class #5: Wednesday, February 5, 2020
Marketing Your Business

- Hour 1: Rover.com Marketing Case Study (Guest: **Aaron Easterly**, CEO, Rover.com)
- Hour 2: Seattle tech scene overview (Guest: **John Cook**, Co-Founder, *Geekwire*)
- Hour 3: Student Pitches with Feedback (John Cook)

Class #6: Wednesday, February 12, 2020
Pricing & Go-to-Market

- Hour 1: Go-to-Market Case Study: Redfin (Guest: **Glenn Kelman**, CEO, Redfin)
- Hour 2: Sales Strategies (Guest: **Kelly Wright**, former EVP Sales, Tableau)
- Hour 3: Student Pitches with Feedback (Kelly Wright)

Assignment Due on March 4: Prepare as a team a one-to-two page investment memo in which you choose another team you would invest in, detail why (team, opportunity, business model), and on what terms. You are playing the role of venture capitalist. You will be considering whether to make a \$1M investment in a Series Seed round in your classmates' company. The memo should contain the following: (1) one sentence about whether or not you are recommending an investment (if you want, you can use our 10-point scoring system to show how strongly you feel about the investment decision), (2) why you would (or would not) make an investment, covering items such as the (a) team, (b) product, (c) market size, (d) business model, and (e) timing, but feel free to focus primarily on the areas most relevant to your investment decision or to employ a framework like the one in Zero to One, (3) the terms of your \$1 million investment (if you are recommending not to invest, you can still cover the terms by saying if your partners approve it notwithstanding your negative recommendation, you would recommend investing on the following terms), covering (a) pre-money valuation (e.g., \$1M on a \$3M

pre-money valuation would give the investors 25% of the company post-money, and you might say what your pre-money starting point for negotiation is and what your walk-away pre-money valuation might be), (b) the control provisions (e.g., you can say you just want the standard control provisions or specify one or two that are especially important to you and, if so, why), and (c) the board composition (e.g., we think it should be one founder/CEO, one investor, and one independent, and how important board control is to you if the founders push back and say the common/founders need to control the board).

**Class #7: Wednesday, February 19, 2020
Financial Modeling & Business Planning**

- Hour 1: Financial Modeling & Business Planning (Guest: **Palvi Mehta**, CFO, Pioneer Square Labs)
- Hour 2: Scaling Amperity (Guest: **Kabir Shahani**, CEO & Co-Founder, Amperity)
- Hour 3: Student Pitches with Feedback (Palvi Mehta)

**Class #8: Wednesday, February 26, 2020
Financing Dynamics**

- Hour 1: Financing Your Venture (**Matt McIlwain**, Managing Director, Madrona Venture Group)
- Skim:** Amar Bhide. Bootstrap Finance: The Art of Startups. Harvard Business Review, November-December 1992
- Hour 2: Startup Legal Issues (Guest: **Jeana Kim**, Partner, Wilson Sonsini Goodrich & Rosati)
- Read:** The Legal Forms of Organization (HBS Note #9-898-245)
- Skim:** Annotated Term Sheet for Venture Capital Financing
- Hour 3: Student Pitches with Feedback (Jeana Kim)

**Class #9: Wednesday, March 4, 2020
Scaling & Exits**

- Hour 1: Scaling a Business (Guest: **Steve Singh**, ex-Chairman & CEO, Concur; ex-Chairman & CEO, Docker; Executive Chairman, Center ID; Chairman, Talend, Modumetal; Director, WaFd Bank, DocuSign, The Nature Conservancy)
- Hour 2: Thinking about IPOs and M&A (Guest: **Dan Levitan**, Managing Director, Maveron)
- Hour 3: Student Pitches with Feedback (Steve Singh, Dan Levitan, **Paul Goodrich**, Managing Director, Madrona Venture Group)

**Class #10: Wednesday, March 11, 2020
Company Pitch Day (Zillow Commons, Bill & Melinda Gates Center for Computer Science & Engineering, UW)
4:00-7:30 p.m.**

- Assignment:** Your team will have eight minutes to present your business to a panel of top venture capital and angel investors and then take five minutes of Q&A. Bring two hard copies of your complete Pitch Deck, a 2 to 3 page Executive Summary, a printout of your Financial

Plan, and some illustrations of your Demo (a few slides that will remind us of what you showed). The financial plan can use the templates from Palvi's presentation. We would like to see more detailed financial projections month-over-month for the first 12 months and then higher-level year-over-year projections for three years. We care more about the reasonableness of the assumptions in the financial model than about the numbers, so just be clear to show what the driving assumptions are. If one person is driving the model, make sure to sanity-check it with your teammates.

Dinner will be provided.

- 4:00-5:00: Company pitches and feedback
- 5:00-6:00: Company pitches and feedback
- 6:00-6:45: AWS (Guest: **Andy Jassy**, CEO, Amazon Web Services)
- 6:45-7:30: Company pitches and feedback + wrapup