Course Description

The focus of this course is on gaining new venture and value creation experience. Traditional classroom setting including case studies often provide few opportunities to explore and experiment with starting and running a new venture. New ventures are not micro versions of their larger counterparts—the former typically searches for a novel business model while the latter executes an existing one. In fact, a new venture can initially be viewed as a temporary arrangement to test founders’ initial hypotheses (guesses) to discover a robust and scalable business model, or a portfolio of business models.

This is an online class and all communications will take place either via e-mails, or the Marketplace. There will be no face to face organizational meeting, in-class exams, or team meetings. A central aspect of this course is that it involves an individual-based simulation, and as such, each team corresponds to one person. All materials will be distributed and collected electronically. Hence, it is imperative that you regularly check your e-mail and/or Marketplace.

Within the simulation, each one of you is given full control of a simulated business and must manage its strategies, tactics, and operations through several decision cycles. Repeatedly, you must analyze the situation, plan a strategy to improve it, and then execute that strategy out into the future. Incrementally, you learn to skillfully adjust strategy as you discover the nature of real-life decisions, including the available options, linkages to other parts of the business, conflicts, tradeoffs, and diverse yet consequential performance outcomes. As such, the simulation serves as a continuing, evolving “case” in which you assume various managerial roles and responsibilities to gain new venture experience by making real business decisions.

Course Objectives

Through Marketplace, I will place you into a setting where you will individually start up and run a company for one year and six months (6 rounds of decision making). Rather than start in the middle of a story (with a mature firm), Marketplace mimics a new venture situation. You will be a totally integrated company that does it all from marketing to production to human resource management. You will have limited financial resources and complete accounting responsibility. Specifically, you will be responsible for starting and managing a company in the PC industry that competes in Asia, North America, and Europe. Within the PC industry, several other new firms will
be entering the market at the same time as your company. To keep the scenario simple, you will assume the microcomputer industry in its introductory stage of the product life cycle. That is, there is no history and there are no established competitors. Furthermore, all competitors will start with the same resources and knowledge of the market. All firms will sell through company-owned sales offices in major metropolitan markets around the world. Your target market will be the business sector. Throughout the simulation, you receive information on customer needs and feedback on customer satisfaction with brands, prices and advertising. Here is a brief list of the activities and objectives that each of you will pursue by quarter or decision period:

**Quarter 1:** Invest personal savings to start up the company, analyze market research, establish the firm’s strategic direction and set up shop (build a plant, design brands and open sales offices).

**Quarter 2, 3:** Test market brands, prices, ad copy, media campaigns, sales staffing, and compensation package. Study the market’s response, competitive tactics and operational and financial performance and make adjustments in strategy.

**Quarter 4:** Prepare a business plan and obtain financing from a venture capitalist.

**Quarter 5, 6:** Undertake an international rollout campaign based upon the business plan. Adjust the strategy to market opinion, competitive tactics and operational and financial performance and any unexpected developments that might occur.

**Quarter 7:** Prepare a Report to the Board of Directors discussing; a) company performance; b) departures from the business plan and justification; c) How well the firm is prepared to compete in the future; and d) lessons learned.

### Course Outline and Calendar (SS2 July 14- August 14, 2015)

The deadlines for each Simulation Quarter (Six Qs in total) are indicated below. Each quarter's activities not only result in new material being introduced, but also build upon the prior content so that there is considerable repetition. Business activities such as cash flow planning, value creation in product design, production scheduling, profitability analysis, and strategic planning and management require repetitive exercise to set them into your natural thinking. Here is a list of some activities you will perform: Analyze market research data; Plan and roll out a marketing campaign; Design and price brands to appeal to different market segments; Select and develop distribution channels; Devise advertising campaigns; Allocate scarce funds to R&D, manufacturing, advertising, and distribution; Select and prioritize R&D projects, leading to new product features; Negotiate strategic partnerships with competitors for new technology; Initiate and defend lawsuits over false advertising; Hire employees and set competitive compensation packages; Schedule production and manage plant capacity; Manage cash; Negotiate debt financing for new business development; Compete head-to-head with other business teams; Adjust strategy and tactics in response to operational and financial performance.

*Once I design the simulation and you sign-up, there can be NO FLEXIBILITY regarding any of the deadlines indicated below. What this means is that everyone MUST wrap-up each simulation quarter on or before the indicated date. The student manual is built into the Marketplace Live simulation as the Help File.*

<table>
<thead>
<tr>
<th>QUARTER</th>
<th>DUE DATES</th>
<th>REQUIRED READINGS</th>
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</thead>
<tbody>
<tr>
<td>Q 1</td>
<td>Quarter 1 Due <strong>July 17</strong> Friday 9: 00 PM</td>
<td>Register and Read Student Manual</td>
</tr>
<tr>
<td>Q 2</td>
<td>Quarter 2 Due <strong>July 21</strong> Tuesday 9: 00 PM</td>
<td>Student Manual &amp; Other Materials</td>
</tr>
<tr>
<td>Q 3</td>
<td>Quarter 3 Due <strong>July 25</strong> Saturday 9: 00 PM</td>
<td>Student Manual &amp; Other Materials</td>
</tr>
<tr>
<td>Q 4</td>
<td>Business Plans Due <strong>July 31</strong> Friday 9:00PM &amp; <strong>August 1</strong> Saturday 9: 00 PM</td>
<td>Student Manual &amp; Other Materials</td>
</tr>
<tr>
<td>Q 5</td>
<td>Quarter 5 Due <strong>August 5</strong> Wednesday 9: 00 PM</td>
<td>Student Manual &amp; Other Materials</td>
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<tr>
<td>Q 6</td>
<td>Quarter 6 Due <strong>August 9</strong> Sunday 9:00 PM &amp; Board of Directors Reports Due <strong>August 11</strong> Tuesday 9:00 PM</td>
<td>Student Manual &amp; Other Materials</td>
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</tbody>
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Course Requirements and Grading

Summary of Course Grading:

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<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Business Plan</td>
<td>400</td>
</tr>
<tr>
<td>Business Performance: Cumulative Balanced Scorecard</td>
<td>400</td>
</tr>
<tr>
<td>Report to Board of Directors</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1000</strong></td>
</tr>
</tbody>
</table>

1) What is Business Plan?

After you start your company, you will survey the market, conduct a market opportunity analysis, design brands, open sales offices, hire sales people, develop advertising campaigns, and engage in test marketing during the initial quarters. However, you will be restrained from investing in research and development and rapid market entry until you gain sufficient experience in the market. The simulation is structured so that each company will require an additional infusion of financial capital (up to 4 million dollars) from a Venture Capitalist to invest in R&D and new sales offices.

To request this capital, you will write a Business Plan for a VC (I will act as your VC in this case). In brief, the business plan will include issues as 1) an analysis of the market; 2) a set of business objectives to profitably serve the market; 3) a strategy to achieve the objectives; 4) a tactical plan to realize the strategy; and 5) a set of pro forma financial statements that summarize the financial transactions and outcomes of the strategy and tactical plan. Based on the past performance and quality of your business plan, the VC is ready to invest up to 4 million in your company. You will be able to use this money to grow your business, invest in new brand features, new sales offices, and new plant capacity. As this infusion from the VC is the last of the investment money you will see, it is critical for you to raise as much money as possible from the VC by delivering a robust business plan. As an aside, the process of writing the business plan will help you better understand your company and competitors, which, in turn, will be critical to your ability to compete in the Marketplace. I will provide a set of guidelines to prepare your business plan in Quarter 4 of the simulation.

2) What is Cumulative Balance Scorecard?

Simulation performance is obviously very important. In one fashion or another, you “live” or “die” by your performance on the Cumulative Balanced Scorecard. Effectively, it is a measure of the ability to create value for the firm’s stakeholders. It is also a measure of your ability to integrate (harmonize) all business functions. Optimization can only be achieved by using the tools of management to assess the performance and evaluate the relative value of each option. Furthermore, it requires an understanding of how each decision can affect the business metrics that have been incorporated into the scorecard.

The simulation’s Total Business Performance indicator is a quantitative measure of your ability to effectively manage firm resources. It considers both the historical performance of the firm and how well the firm is positioned to compete in the future and, as such, measures the action potential of the firm. In short, you must be good at managing all aspects of the firm, and the balanced scorecard puts this perspective into practice. It focuses attention on multiple performance measures and multiple decision areas. None can be ignored or downplayed. The simulation computes Total Business Performance by multiplying eight indicators. This function underscores the importance of all measures: any strength or weakness has a multiple effect on the final outcome, the action potential of the firm.

In terms of mechanics, you receive a scorecard at the start of each quarter based upon your performance in the prior quarter. The objective criteria include measures of financial performance, market performance, marketing effectiveness, investments in the future, asset management, manufacturing productivity, creation of wealth, human resource management, and financial risk. These reports begin once the teams go to market and start selling to the users. The scores on these individual metrics are combined to create a single, quantitative indicator of each firm’s Total Business Performance. Both the total score and the scores on the individual performance criteria are comparable across firms within any given simulation universe. As a result, it is possible to rank the teams on all important metrics and assign grades accordingly. Your final performance is based upon your company’s Cumulative Balanced Scorecard, which is the average performance during the last four quarters of simulation. The Cumulative Balanced Scorecard is preferred because it smoothes out spikes or dips in
performance. At the end, competing firms can be ranked in the order of cumulative performance. A letter grade can be assigned depending upon how each company scores, relative to other firms in the Marketplace.

3) What is Report to Board of Directors?

The Report to the Board represents a modest portion of your final grade. It is a succinct review of what happened, why, and what has been learned from the simulation experience. For companies that performed reasonably well, it becomes a celebration of their success in having survived a challenging experience. For those that performed poorly, it is a chance for the company to redeem itself by a careful analysis of what went wrong, what could have been done to turn the company around, and what learned from the experience.

In brief, you will be asked to prepare a report addressing such issues as 1) a summary of the original business plan, 2) departures from the plan, 3) justification for the departures, 4) the firm’s performance since the plan was written, and 5) how well the company is prepared to compete in the future. You will also be asked to reflect on the lessons you learned from participation in the simulation. As such, the report provides something of a de-briefing for the whole exercise and helps the participants put things into perspective. I will provide you with a set of guidelines to prepare your report immediately after your wrap-up the last quarter of the simulation.

Grading Scale:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Letter Grade</th>
<th>GPA</th>
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</thead>
<tbody>
<tr>
<td>97-100</td>
<td>A+</td>
<td>4.3</td>
</tr>
<tr>
<td>93-96</td>
<td>A</td>
<td>4.0</td>
</tr>
<tr>
<td>90-92</td>
<td>A-</td>
<td>3.7</td>
</tr>
<tr>
<td>87-89</td>
<td>B+</td>
<td>3.3</td>
</tr>
<tr>
<td>83-86</td>
<td>B</td>
<td>3.0</td>
</tr>
<tr>
<td>80-82</td>
<td>B-</td>
<td>2.7</td>
</tr>
<tr>
<td>77-79</td>
<td>C+</td>
<td>2.3</td>
</tr>
<tr>
<td>73-76</td>
<td>C</td>
<td>2.0</td>
</tr>
<tr>
<td>70-72</td>
<td>C-</td>
<td>1.7</td>
</tr>
<tr>
<td>67-69</td>
<td>D+</td>
<td>1.3</td>
</tr>
<tr>
<td>63-66</td>
<td>D</td>
<td>1.0</td>
</tr>
<tr>
<td>60-62</td>
<td>D-</td>
<td>0.7</td>
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<tr>
<td>&lt;60</td>
<td>F</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Due Dates and Late Policy

Deadlines are based on Eastern Standard Time; if you are in a different time zone, please adjust your submittal times accordingly. The instructor reserves the right to change dates accordingly as the course progresses. All changes will be communicated in an appropriate manner. There are NO extra credit opportunities in this course given its structure and flow, and late deliveries will be subjected to grade reductions.

Grades

I will make every effort to provide grades in a timely manner. To keep track of your performance in the course, refer to My Grades in HuskyCT.

Student Responsibilities and Resources

As a member of the University of Connecticut student community, you are held to certain standards and academic policies. In addition, there are numerous resources available to help you succeed in your academic work. This section provides a brief overview to important standards, policies and resources.
Student Code

You are responsible for acting in accordance with the University of Connecticut's Student Code Review and become familiar with these expectations. In particular, make sure you have read the section that applies to you on Academic Integrity:

- Academic Integrity in Undergraduate Education and Research
- Academic Integrity in Graduate Education and Research

Cheating and plagiarism are taken very seriously at the University of Connecticut. As a student, it is your responsibility to avoid plagiarism. If you need more information about the subject of plagiarism, use the following resources:

- Plagiarism: How to Recognize it and How to Avoid It
- University of Connecticut Libraries’ Student Instruction (includes research, citing and writing resources)

Copyright

Copyrighted materials within the course are only for the use of students enrolled in the course for purposes associated with this course and may not be retained or further disseminated.

Netiquette and Communication

At all times, course communication with fellow students and the instructor are to be professional and courteous. It is expected that you proofread all your written communication, including discussion posts, assignment submissions, and mail messages. If you are new to online learning or need a netiquette refresher, please look at this guide titled, The Core Rules of Netiquette.

Adding or Dropping a Course

If you should decide to add or drop a course, there are official procedures to follow:
- Matriculated students should add or drop a course through the Student Administration System.
- Non-degree students should refer to Non-Degree Add/Drop Information located on the registrar’s website.

You must officially drop a course to avoid receiving an "F" on your permanent transcript. Simply discontinuing class or informing the instructor you want to drop does not constitute an official drop of the course. For more information, refer to the:

- Undergraduate Catalog
- Graduate Catalog

Academic Calendar

There are important dates and deadlines for each semester and session classes are offered:
- Fall and Spring Semester
- Summer Session
- Winter Session

Academic Support Resources

Technology and Academic Help provides a guide to technical and academic assistance.

Students with Disabilities

Students needing special accommodations should work with the University's Center for Students with Disabilities (CSD). You may contact CSD by calling (860) 486-2020 or by emailing csd@uconn.edu. If your request for accommodation is approved, CSD will send an accommodation letter directly to your instructor(s) so that special arrangements can be made. (Note: Student requests for accommodation must be filed each semester.)
Blackboard measures and evaluates accessibility using two sets of standards: the WCAG 2.0 standards issued by the World Wide Web Consortium (W3C) and Section 508 of the Rehabilitation Act issued in the United States federal government.” (Retrieved March 24, 2013 from Blackboard’s website)

**Policy against Discrimination, Harassment and Inappropriate Romantic Relationships**

The University is committed to maintaining an environment free of discrimination or discriminatory harassment directed toward any person or group within its community – students, employees, or visitors. Academic and professional excellence can flourish only when each member of our community is assured an atmosphere of mutual respect. All members of the University community are responsible for the maintenance of an academic and work environment in which people are free to learn and work without fear of discrimination or discriminatory harassment. In addition, inappropriate Romantic relationships can undermine the University’s mission when those in positions of authority abuse or appear to abuse their authority. To that end, and in accordance with federal and state law, the University prohibits discrimination and discriminatory harassment, as well as inappropriate Romantic relationships, and such behavior will be met with appropriate disciplinary action, up to and including dismissal from the University. Refer to the [Policy against Discrimination, Harassment and Inappropriate Romantic Relationships](#) for more information.

**Sexual Assault Reporting Policy**

To protect the campus community, all non-confidential University employees (including faculty) are required to report assaults they witness or are told about to the [Office of Diversity & Equity](#) under the [Sexual Assault Response Policy](#). The University takes all reports with the utmost seriousness. Please be aware that while the information you provide will remain private, it will not be confidential and will be shared with University officials who can help. Refer to the [Sexual Assault Reporting Policy](#) for more information.

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### Software Requirements and Technical Help

The technical requirements for this course include:

- Word processing software
- [Adobe Acrobat Reader](#)
- Internet access
- Additional requirements for the simulation.

This course is completely facilitated online using the simulation platform and [HuskyCT](#). If you have difficulty accessing HuskyCT, students have access to the in person/live person support options available during regular business hours through [HuskyTech](#). Students also have [24x7 Course Support](#) including access to live chat, phone, and support documents.

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### Minimum Technical Skills

To be successful in this course, you will need the following technical skills:

- Use electronic mail with attachments.
- Save files in commonly used word processing program formats.
- Copy and paste text, graphics or hyperlinks.
- Work within two or more browser windows simultaneously.
- Open and access PDF files.

University students are expected to demonstrate competency in Computer Technology. Explore the [Computer Technology Competencies](#) page for more information.

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### Evaluation of the Course

Students will be provided an opportunity to evaluate instruction in this course using the University's standard procedures, which are administered by the [Office of Institutional Research and Effectiveness (OIRE)](#).

Additional informal formative surveys may also be administered within the course as an optional evaluation tool.