

761 Developing New Enterprises

Introduction

761 DEVELOPING NEW ENTERPRISES provides students with the knowledge base for exploring and establishing a new business venture, whether in a corporate environment or in a standalone business enterprise. Students explore a number of theories in contemporary business strategy as well as issues that arise from such strategies. From the creation of business enterprise ideas, through the development of a business model, cost structure and operations design, to the communication of the business strategy to others, the subject adopts the unique perspective of the general manager of a firm seeking to establish a strong competitive position. The emphasis is on the improvement of a firm's competitive environment and resources.

Case studies

Real-life case studies are incorporated into the subject to provide opportunities for students to apply theory into practice in an authentic context. Examples of cases include

Roberts, M.J.
AsialInfo
 Case #9-800-179
 Harvard Business School Publishing
 18 October 1999

Dollinger, M.J.
Suzy's Zoo
 Case: #6
 Prentice Hall
 2003

Rohan, D., A. Seiger and M. Benning
PacNet
 Case #E138
 Stanford University
 13 December 2002

Who should attend

- Executives wishing to establish a new business venture
- Managers seeking to enhance their skills in formulating a business plan
- Decision makers who are responsible for improving a firm's competitive position

Learning objectives

Upon completion of this subject, students should be able to

- generate business enterprise ideas
- design and develop the strategy and business model for a new enterprise
- demonstrate the operational and financial feasibility of the venture through a business plan
- develop a financial structure for the enterprise
- create, build and sustain the organisational capabilities to make the venture a success

Delivery method

The subject is delivered online over a 12-week period, with an assigned Professor acting as mentor. The class will comprise students from different countries and industry backgrounds. Practical case studies and discussions help to stimulate learning and knowledge exchange, while an examination at the end of the subject will help students review and apply the knowledge and skills learnt.

Assessment

Case analyses (team and individual)	45%
Discussion board activities	30%
Final examination	25%

Prerequisites

601 Organisational Behaviour
 612 Finance

Syllabus

Segment 1: Introduction

Students are introduced to the syllabus, the resources and communication tools available within the course.

Segment 2: Frameworks

A model of entrepreneurship is presented, incorporating four dimensions: the enterprise team members, structure of the broad economic environment, competitive industry forces, and business strategies. The segment shows how the integration of the different elements shapes entrepreneurial activity. Students are briefed on the latest developments in the area of new technology and business development.

Segment 3: Sources of Opportunity

A process model for starting a new business is presented, showing the variety of modes and paths available. Students are encouraged to trace their own paths to entrepreneurial activity. The resource-based view identifies the initial strengths and weaknesses of the enterprise, while a model for the remote environment provides a broad overview of opportunities in the market. Porter's competitive industry analysis and Drucker's concept of innovation and creativity are also considered.

Segment 4: Strategies and Models

The segment focuses on entrepreneurial strategies and business models. Strategic options are explained, including mode of entry, different types of resource-based strategies and capitalising on early advantages. In particular, the strategic implications of an information-based business, or doing business on the Internet, are discussed. Students learn how to analyse trends in the industry and conduct a review and audit of a new venture's strategy.

Segment 5: The Business Plan

The business plan is the major document for new venture creation. The segment highlights the importance of clearly stating the mission and objectives for a new enterprise. Students are presented with a model that incorporates essential elements of the business plan, including a description of the business, an evaluation of the opportunities and resources available, and an assessment of the prospects of the venture. Formats and presentation styles are covered.

Segment 6: Financial Elements

Determining the financing needs of a new venture is a crucial step prior to launching the project. Students are presented with a model that reviews different categories of expenses and cash flow needs, which enable a valuation analysis of the new enterprise. Sources of financing, ranging from venture capital to public funds and government aid, are discussed. Students learn about different methods to approach investors, depending on the investment environment. Risk analysis, legal structures and tax regulations differ from country to country.

Segment 7: Creating the Organisation

The segment looks at corporate venturing (intrapreneurship), alliances and franchising as different forms of entrepreneurship. Whatever the structure, putting together the right management team for the enterprise ensures proper leadership for the venture. A discussion on recruitment strategy and negotiation is included. Finally, students are introduced to the balanced scorecard for maintaining and monitoring the performance of the organisation.

Required textbook

Dollinger, M.J. *Entrepreneurship: Strategies and Resources* (3rd ed). New Jersey: Prentice Hall, 2003.

Global Faculty

Subject Author

Professor Marc Dollinger
Indiana University

Subject Reviewer

Professor Per Davidsson
Jönköping International Business School

U21Global subjects are created by acknowledged experts in their field, usually senior academics who have strong understanding of postgraduate requirements. The subject content is further reviewed by academic specialists who appraise the subject from an independent perspective, ensuring a high-quality, professional product.

761 DEVELOPING NEW ENTERPRISES was created for U21Global by **Marc Dollinger**, Professor of Business Administration and Chairman of the Undergraduate Studies Programme at the Kelley School of Business, Indiana University. Dr Dollinger has extensive international teaching experience, including stints as Visiting Professor at the International University of Japan and Hong Kong University of Science and Technology. He is a member of the editorial boards of the *Academy of Management Review* and *Entrepreneurship: Theory and Practice*. His textbook *Entrepreneurship: Strategies and Resources*, first published in 1995, is now in its third edition. Dr Dollinger has written extensively about small business and entrepreneurship and has over 50 key articles and presentations to his credit. He received his MBA and PhD from Lehigh University, Pennsylvania.

The subject was reviewed by **Per Davidsson**, Professor of Business Administration (Entrepreneurship) at Jönköping International Business School, Sweden. He heads the School's programme on entrepreneurship and growth in small and medium-sized enterprises and is Chair of the Research Committee of the Entrepreneurship Division of the (American) Academy of Management. His research interests are in the areas of entrepreneurship and small business, especially on the start-up and growth of small firms as well as the employment and societal effects of such activities. Dr Davidsson earned his PhD in Economic Psychology at Stockholm School of Economics.

Professors

Students' progress will be guided by dedicated Professor Facilitators based around the world. They provide an international perspective and impart knowledge through a wealth of experience in their field of specialisation. Our Professor Facilitators will help students make sense of the information to enable students to transform the information into knowledge and creative solutions.



François THÉRIN

François Thérin is Associate Professor of Strategy and Technology Management at Grenoble Ecole de Management (GEM) in France since 1995. He was the founder of the Center for Technoentrepreneurship at GEM and headed the organisation from 1999 to 2002. He has extensive experience of online teaching in strategic management and technology and innovation management. His research interests are in the fields of innovation, knowledge and strategic management in high-tech companies. Dr Thérin received his DBA from University of Newcastle, UK and his DEA in Management from Institut d'Administration des Entreprises at Aix-Marseille University, Aix-en-Provence, France.



Ken WONG

Ken Wong is the President & CEO of Aidmas Corporation and previously served as Vice President of Marketing at TeraGo Networks in Canada. At present, Dr Wong is also teaching marketing courses on a part-time basis at the University of Toronto's St. George, Scarborough, and Mississauga campus. He has also taught online marketing courses to working professionals and military personnel with various institutions of higher education in North America. Dr Wong earned his Doctor of Business Administration degree from the University of Newcastle, Australia.



Dick MURPHY

Dick Murphy is currently a President of a marketing consultancy in Florida, USA and is also an Adjunct Professor in Marketing and Entrepreneurship at Nova Southeastern University, Florida, USA where he teaches in the graduate programme and develops the Entrepreneurship courses. Prior to his current appointments, Dr Murphy held several senior management positions in the transportation industry in USA. He has also taught online courses for University of Phoenix. Dr Murphy received his Doctor of Business Administration degree from the Nova Southeastern University.