

**Entrepreneurial Execution & Planning**  
**Strategy 845 — Spring 2 2023**  
**Syllabus**

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## ***Course Overview***

The goal of this course is to give the student an understanding of some of the key issues involved in founding and leading a new venture. After taking this course, students should have a personal perspective on how they would approach and manage core challenges facing the leader of a new venture.

The focus of this course is the creation and early execution of a new venture. The course concentrates on new enterprises based on innovations with potential to scale.

The course is primarily based on case discussion, with the intent of allowing students to derive practical lessons from experience (both successes and failures) in actual ventures.

The topics to be covered include:

- Purpose and values in a new venture
- Understanding whether there is a market
- Financing a new venture
- Building a team & managing people in a new venture
- Early sales and marketing execution
- Growth strategies
- Forecasting and building an operating plan

This course is a complement to the Entrepreneurial Strategy course.

## ***Diversity, equity, inclusion***

The Provost describes Duke's commitment as follows:

Duke aspires to create a community built on collaboration, innovation, creativity, and belonging. Our collective success depends on the robust exchange of ideas—an exchange that is best when the rich diversity of our perspectives, backgrounds, and experiences flourishes. To achieve this exchange, it is essential that all members of the community feel secure and welcome, that the contributions of all

individuals are respected, and that all voices are heard. All members of our community have a responsibility to uphold these values. All Fuqua faculty are committed to this principle. In this course, we will all strive to live this value.

## **Requirements:**

### **Final project (35%)**

You will develop a milestone-driven plan for the next 12 months of an early-stage ventures growth. You are expected to analyze how the venture should grow and how that growth should be funded. You should develop a bottom up financial model and indicate important growth levers of the business.

Identifying a strong venture that has demonstrated product-market fit will make your project easier and more enjoyable for you and your team. I suggest that you and your team choose to work on the startup venture of one of your peers. Before the course starts, I will issue a survey to identify who is working on a startup venture. This information will be shared with you so that you can appropriately form teams around those entrepreneurs. Alternatively, you can source ventures from other students, at American Underground, Provident 1898, WeWork Labs Durham, NCIDEA or other support organizations.

Regardless of origin of the venture, it will be important that you have a willing collaborator who will provide access to current financial information and is willing to engage in transparent dialogue with you as you assess their venture. In return, you should offer to provide them with your assessment of their venture and your recommended path forward.

You will present your final plan to the class. You will be assessed on how well you address the key issues the startup faces and how thorough your milestone driven plan is.

Your final report should not be more than 4,000 words (excluding figures, tables and graphs). The final project is due on May 4, 2023.

### **In Class Participation (15%)**

Because every class will be based on a collective analysis of a case or reading, it is critical that you come to class prepared to participate actively in the discussion. The outline of the classes below should help you prepare for class. Learning for everyone in this class is enhanced through debate, different perspectives and new insights that come from you.

Keep in mind that your goal should be to contribute high *quality* comments, *not* high *quantity*. You detract from class discussion if you talk a lot and do not make a clear point. To contribute high quality comments, you must also listen carefully to the comments of your classmates. You should try to extend or qualify their comments while avoiding repeating them. I am looking for substantive discussion, not filler. In the real world, you will find that much of your 'grade' will depend on your ability to communicate

effectively with your colleagues and persuade them of your position using logical and thoughtful arguments or critiques. Consider our classroom a safe space to practice those skills.

To keep class conversations interesting and widely distributed across students, priority will be given to those who have spoken less. Students will also be called on directly to contribute.

We will use a survey tool to answer a couple of simple case questions before each class. Your participation in the survey process will also contribute to your in class participation.

### **Live case assignment 1 & 2 (20%; 10% each)**

You and your project group will be presented with a real startup scenario and be asked to analyze the data and make a strategic recommendation in real time. This “live” case will be conducted over two consecutive sessions, which will have a deliverable at the end of each. Your team will be required to submit your responses at the specified times at the end of each session. You will receive a grade for each part submitted.

**Note:** It is imperative that you make arrangements to be “present” during these two sessions—Session 7 & 8 / April 10 and 13—as there is no way to make-up the content/simulation. You can be virtual but you must be *synchronously* working with your team.

### **Two individual case write-ups (20%; 10% each)**

The course will require two 2 case analyses. You may choose any two cases other than Estee Lauder and Teamworks. The write-ups should be no longer than 1000 words. The case write-ups are to be done individually and must be turned in before the case is discussed in class. Your write-up will be evaluated on these criteria:

1. Did you answer the question(s) clearly?
2. Did you identify the key factors and possibly trade-offs concerning the issue at hand?
3. Did you provide a cogent, clear, and well-reasoned argument (reasons) for your answer to the question?

### **Sales exercise (5%)**

Prior to class 3, you will conduct an exercise matched with other classmates, once as a seller and once as a buyer. Completion of the exercise will be worth 5 points

### **Personal reflection following the Entrepreneurial Management template (5%)**

The Entrepreneurial Management template is a set of questions to get you to think about the approach you will take to managing key issues when you are leading a new venture. You should reflect on cases, readings, and discussions and distill your thinking around these key questions. You should continue to revise this document throughout the course. The content itself will not be graded and you will get full credit for completing the

document. If you take this assignment seriously, the document can serve as a guide when you actually face the issues discussed in class.

Entrepreneurial management key questions:

1. How will I create purpose and shared values in the organization? How will I create an organization that ought to exist, one that embraces justice and equity?
2. How will I manage strategy?
3. How will I manage market entry and customer acquisition?
4. How will I create a sales plan?
5. How will I create a budget?
6. How will I build sustainable (competitive) advantage?
7. How will I finance the venture?
8. How will I hire?
9. How will I organize and reward employees?
10. How will I ensure that I have identified critical assumptions and are managing risk?

### **Course grading**

Your final grade is composed of:

Class participation	15%
Completion of sales assignment	5%
Live case assignment 1	10%
Live case assignment 2	10%
Individual case write-ups (2)	20%
Final project	35%
Personal reflection	5%

Grading will follow the Fuqua grade distribution for elective courses.

### **Case overview**

Topic	Case
Why startups succeed, Framework, identifying an opportunity	Estee Lauder
Purpose and values	Snap
Forecasting, budgeting, operating plan	Zaplet
Sales & distribution channels / marketing in early-stage firms	Babbaco FormLabs
Growth, scaling Financing, equity, exit	Teamworks A & B
Building a team, people management	Upswing Cypress Semiconductor (A) CloudFlare

## **Class Schedule**

### **1. Monday, March 20, 2023: why new ventures succeed.**

(PLEASE COME TO THE FIRST CLASS PREPARED TO DISCUSS THESE READINGS.)

Startups by definition are operating an environment of uncertainty, searching for a repeatable and scalable business model. In this session we will explore why some succeed while others fail. We will identify a framework that can help maximize a startup's odds of success.

We will explore the importance of customer-insight in shaping the business model and how this is integrated to a startup's culture. We will discuss how startups seek evidence to confirm assumptions or drive a pivot. Additionally, we will connect the entrepreneur's vision and mission to the early-choice of legal operating structure.

**Questions that will be addressed include:** What are the necessary and sufficient conditions for success? How does market and context impact startup success? How does team and execution impact startup success? Why is customer-insight important for your startup and how can you build it into the culture of your organization? What does it mean to be customer-centered? How can you reduce risk through evidence-based entrepreneurship? What legal structures can startups take and how do they impact the future of the venture?

Before this class you are expected to complete the Estee Lauder survey.

**Case:** Estee Lauder. HBS 9-801-362

**Case questions:**

Why was Estee Lauder successful?

**Reading:**

- Arthur Rock, "Strategy vs. Tactics from a Venture Capitalist." HB 87612
- Michael J. Roberts, "The Legal Forms of Organization." HBR 9-898-245
- Steve Blank, "Why the Lean Start-Up Changes Everything." HBR R1305C.

**Supplementary reading (recommended but not required):**

- Clayton Christensen, *et al*, "Know Your Customers' 'Jobs to be Done'," HBR 2016 (<https://hbr.org/2016/09/know-your-customers-jobs-to-be-done?referral=00060>)

## **2. Thursday, March 23, 2023: Should your venture exist? Purpose and values.**

Opinions vary widely on the question of the value of startups. A Silicon Valley mentality has dominated thinking about startups with concepts like “blitzscaling” and “move fast and break things.” We will take a little time to discuss these notions and critically evaluate the role of entrepreneurial ventures in society and in the lives and careers of entrepreneurs. We will discuss the concepts of purpose and values. What role, if any, should these ideas play in creating a new venture? The discussion will range over both the ethical dimension as well as the managerial dimension.

Before this class you are expected to complete the Snap survey.

**Case:** Social Media War 2021: Snap vs. Facebook vs. Tiktok. HBS 9-721-443

### **Case questions:**

Snap states articulates its purpose as “We contribute to human progress by empowering people to express themselves, live in the moment, learn about the world, and have fun together.” The case illustrates the company’s challenges in competing with larger, better resourced companies.

1. Assuming you accept the company’s statement of purpose as genuine, is commitment to that purpose a positive or a negative in formulating its competitive strategy?
2. Briefly, what are some trade-offs Snap faces and how should the company handle them?

### **Guest speakers:**

Nicole Diaz, Global Head of Integrity & Compliance Legal, Snap, Inc.

(<https://www.linkedin.com/in/nicolediaz1234/>)

Rachael Classi, Founder & CEO, Tiny Earth Toys, Inc.

(<https://www.linkedin.com/in/rachael-classi/>)

### **Reading:**

- Hemant Taneja, “The Era of ‘Move Fast and Break Things’ is Over.” HBR H04R1A
- Laura Dunham, John McVea, R. Edward Freeman, “Entrepreneurial wisdom: incorporating the ethical and strategic dimensions of entrepreneurial decision-making.” *International Journal Entrepreneurship and Small Business*, Vol. 6, No. 1, 2008
- Kyle Jensen, Tom Byers, Laura Dunham, Jon Fjeld, Entrepreneurs and the Truth, *Harvard Business Review*, July, 2021, R2104J-PDF-ENG

### **Supplementary reading (recommended but not required):**

- Jon Fjeld, “Redefining value creation—Putting purpose before profit,” <https://entrepreneurship.duke.edu/entrepreneurship-education-2-0/>

### 3. Monday, March 27, 2023: Selling in entrepreneurship

The art and science of selling.

Before this class you are expected to complete the selling exercise.

**Preparation:** Selling exercise

**Guest speaker:** Jordan Weinstein, VP of Business Development, RepVue, Inc.  
(<https://www.linkedin.com/in/jordan-weinstein/>)

**Reading:**

- W. Deutsch & C. Wortman, “[Entrepreneurial Selling](#).” Polsky Center for Entrepreneurship, University of Chicago Booth School of Business.

**Supplementary reading (recommended but not required):**

- Amos Schwartzfarb, *Sell More Faster: The Ultimate Sales Playbook for Startups*
- Mark Roberge, *The Sales Acceleration Formula*. [Amazon](#).

### 4. Thursday, March 30, 2023: Selling, forecasting and planning.

Entrepreneurs are depicted as risk seekers, but in reality, good entrepreneurs are experts at mitigating and managing risk. An important element of risk mitigation is effective planning, which requires a deep understanding of the business levers and how they impact the venture. We will explore how entrepreneurs can identify risk and steps that can be taken to mitigate risk through testing with real customers.

**Questions that will be addressed include:** How should I identify risk to my startup? How can planning and forecasting reduce my risk of failure? What tools can I use to produce early evidence? How do I ensure efficient deployment of resources? How can you validate product-market fit?

Before this class you are expected to complete the Zaplet survey.

**Case:** Zaplet. Stanford OIT-37

**Case questions:**

1. What mistakes did Zaplet make?
2. Could the second staff reduction been prevented? If so, how?
3. What would you recommend to Alan Baratz?
4. Could Zaplet have been successful?

**Reading:**

- “Planning topics” section of **www.dukeeven.com**:  
<https://sites.fuqua.duke.edu/dukeeven/planning-topics-2/>
- Malcolm Gladwell, “The Sure Thing,” *The New Yorker*.  
<https://www.newyorker.com/magazine/2010/01/18/the-sure-thing>.

- Rahul Vohra, “How Superhuman Built an Engine to Find Product Market Fit.” <https://review.firstround.com/how-superhuman-built-an-engine-to-find-product-market-fit>.
- Listen to “How I Built This: Sara Blakely of Spanx”

**Supplementary material (recommended but not required):**

- If you are less experienced with finance then read and watch, Startup Financial Modeling with Troy Henikoff, all parts. <https://www.mathventurepartners.com/blog/2016/9/15/startup-financial-modeling-part-1-what-is-a-financial-model>.
- “How to Test Your Assumptions.” Fjeld. Sloan Management Review, 2018. (Note: this reading is required in Entrepreneurial Strategy)

## 5. Monday, April 3, 2023: Sales & distribution channels / marketing 1.

**Before class, you should submit your team and project for the final project assignment. You should list team members and a brief description of the project.**

Determining how you are going to reach your customers is one of the most important considerations of a startup. Distribution strategy is the driver of revenue and frequently the primary driver of expense. To be successful, you must deeply understand your customer’s buying process—who makes the decisions based on what criteria. This session will explore options for how startups can reach their customers, how to build a systemic approach for driving sales growth, and how your choices will impact other elements of your business model.

**Questions that will be addressed include:** What are my options around sales and channel strategies? How do I structure my sales effort? How do I get my product in the hands of my target customers? How do I make decisions around marketing strategies? How will these decisions impact how I scale? How do I know if I have product-market fit?

Before this class you are expected to complete the BabbaCo survey.

**Case:** BabbaCo HBR 9-813-107

**Case questions:**

1. Should Jessica hit the breaks or move fullsteam ahead?
2. On which marketing channel should she focus her investment?

**Reading/material (for both this and the next session):**

- Mark Leslie & Charles A. Holloway, “The Sales Learning Curve.” HBR R0607J.
- Listen to Profiles in Courage with Mark Achler: [Slow Down to Go Faster](#).

**Supplementary material (recommended but not required):**

- [Why is Troy obsessed with CAC?](#), MATH Venture partners.
- Designing and Managing Integrated Marketing Channels, Chapter 13 by Coughlin.



- Five-part podcast on Rocketship.fm: [Sales is Not a Dirty Word](#); [The Secrets to Building a Sales Pipeline](#); [The Art of the Pitch](#); [Closing the Deal](#); [Why You're Never Done Selling](#).

## 6. Thursday, April 6, 2023: Sales & distribution channels / marketing 2.

This class will continue the discussion of sales and distribution strategies.

In addition, in this session, we will hear from a startup venture funder about how and why they choose to invest. We will also discuss the role of key performance indicators (KPIs) in driving focused growth in early-stage ventures and how to establish a critical path to success.

**Questions that will be addressed include:** How do VCs assess early stage ventures? Why is it important to identify the critical path for startup success? How can you establish KPIs that will keep efforts focused the essential ingredients for success?

Before this class you are expected to complete the FormLabs survey

**Guest speaker:** Ashley Flucas, Investor, General Counsel (TBD)

**Case:** Formlabs HBR 9-817-001

**Case questions:**

1. How can Formlabs double sales in 2016 and also lay the foundation for profitable growth in future years?
2. What are the pros and cons of each of the channels they are considering?

## 7. Monday, April 10, 2023: Growth strategy & fundraising.

Building on Session 4, 5, & 6, we will continue to dig into the nuts and bolts of forecasting and planning, but with our real-life conundrum as presented by our guest. As CEOs, we will dig deep to understand the important levers of our venture and develop a forecast for how we are going to scale our venture.

**Questions that will be addressed include:** What is my plan for scale? How will I reach my customers? How much will it cost me? What needs to happen for me to grow this venture? What are my growth milestones and how much investment will be required for me to hit those milestones?

**Case:** Teamworks Part A—Live Case

**Case questions:** Growth strategy & fundraising

1. What should Mitch and the Teamworks leadership team propose as the pathway for growth?

2. How much capital should Teamworks seek to raise in their next funding round in order to fuel the growth?
3. How should they communicate this position to potential investors in order to secure capital?

**Guest:** Rachael Classi, former VP of Strategy & Marketing, Teamworks

## **8. Thursday, April 13, 2023: Early stage funding decisions.**

We will continue our live case in this session, using the model we've built to evaluate financing options. We will explore the connection between your mission and goals and your financing choices. We will dissect why additional capital is required and how much is needed before assessing different financing options to determine whether they will help or hinder you from achieving your mission.

**Questions that will be addressed include:** How much capital do I need to raise and why? How do different financing options impact my ability to achieve the mission? What should I consider when evaluating financing options? What are the pros and cons of accepting outside capital?

**Case:** Teamworks Part B—Live Case

**Case questions:**

1. Compare and contrast the investment offers on the table.
2. Which investment offer should Teamworks accept? Why?
3. Which, if any, of the team deal terms would you recommend Teamworks negotiate? Why?

**Guests:**

Mitch Heath, co-founder, Teamworks

(<https://www.linkedin.com/in/mitchheath/>)

Bill Luby, Seaport Capital

(<https://www.linkedin.com/in/bill-luby-14398411/>)

**Reading:**

- Bob Zider, "How Venture Capital Works." HBR 98611
- Howard H. Stevenson & Michael J. Roberts, "New Venture Financing." HBR 9-802-131
- Jeffrey Bussgang, "Raising Startup Capital," HBR 9-814-089.
- Deepak Malhotra, "How to Negotiate with VCs" HBR R1305F.

**Supplementary material (recommended but not required):**

- Listen to [Masters of Scale: The Money Episode](#) with Minted's Mariam Naficy
- "[How raising a \\$2+M Seed Round really, actually went](#)," by Emily Best
- If you have not taken *Entrepreneurial Finance* then I strongly recommend reading: Roberts & Stevenson "Deal Structure and Deal Terms," HBR 9-806-085.

## 9. Monday, April 17, 2023: Checkpoint on Teamworks, planning and final projects.

Before this class you are expected to prepare a 5-min (2-slide MAX) overview of your project. Some teams will present their project in this class.

### Supplementary reading (recommended but not required):

- Impact Engine blog on Medium, [Does your company have the right KPIs?](#)
- John Doerr, *Measure what Matters: How Google, Bono, and the Gates Foundation Rock the World with OKRs*. Penguin Random House; 2018.

## 10. Thursday, April 20, 2023: Hiring, building a team.

As startup organization evolve, so do their talent needs. This session will focus on what hires are needed during each stage of a venture's lifecycle. We will discuss the opportunities and pitfalls of hiring flexible generalists and specialized experts. We will discuss the risks and benefits of hiring in your network, including working with family and friends. During this session, we will discuss how compensation structure impacts incentives.

**Questions that will be addressed include:** Who should I hire and when? How can I attract talent? How should I think about compensation?

Before this class you are expected to complete the pre-class survey on Upswing.

Additionally, in this class, we will have the remaining project presentations.

**Guest:** Melvin Hines, founder & CEO, Upswing

**Case:** Upswing

### Case questions:

1. As Melvin and the Upswing team move forward, what changes in hiring practices, compensation, and monitoring of performance should Upswing institute to attract, hire, and retain top talent?
2. Compare and contrast hiring skilled generalists verses knowledgeable specialists. What approach should Upswing take as they move into their next phase of growth? Why?

### Reading:

- Noam Wasserman, *The Founder's Dilemmas*, Chapter 8.

## 11. Monday, April 24, 2023: Recruiting and managing people.

This class will be a continuation of the discussion of building a team in a new venture. Entrepreneurship is a team sport. As CEO you must surround yourself with the best possible talent and provide them with the support they need to excel. In this session we

will address how the structure of your organization impacts the performance of your team, the role of culture on organizational success, and how incentives, policies, and practices impact results.

**Questions that will be addressed include:** How do you create the organizational culture that will be productive for your startup? What is your role as lead? How do you empower others to embed and maintain the desired culture? What are actionable steps you can take to ensure culture is created and maintained through growth. How much structure and hierarchy are appropriate and how does this change through growth?

Before this class you are expected to complete the pre-class survey.

**Cases:**

Cypress Semiconductor (A). Stanford HR-8A  
CloudFlare, Inc.: Running Hot. HBR 9-813-145

**Case questions:**

- Compare and contrast the two cultures.
- Which culture would you want to work in? Why?
- Which company provides a better model for people management practices at a start-up?

**Reading:**

- Robert B. Reich, “Entrepreneurship Reconsidered: The Team as Hero.” HBR 87309
- Listen to [Masters of Scale with Reid Hoffman](#) *Netflix’s Reed Hastings in Culture Shock*

**In class exercise:** Khosla has engaged you in January, 2000 to advise him and the founders on issues related to building the company Zaplet. Specifically, he is asking for recommendations regarding:

- Design of the organization
- Hiring plan and process
- Performance evaluation and management
- Policy on promotions and raises

What are your recommendations?

**Supplementary reading (recommended but not required):**

- Profiles in Courage with Mark Achler: [Hire Slow, Fire Quick](#)
- Review [Netflix Culture](#)
- Review the [GiveForward Culture](#) deck on Slideshare
- Listen to [Master of Scale with Reid Hoffman: How to Set the Drum Beat](#)

## **12. Thursday, April 27, 2023: Final project presentations.**

You and your team will present your final recommendations for your course project.

In this session, we will step back and reflect on what we've learned as well as take an introspective look the decision to move forward with an entrepreneurial venture. We will consider your individual aspirations in the context of pursuing a startup and where there's alignment and misalignment. You will be given a framework for evaluating your personal goals in light of this venture as well as others you might pursue.

**Questions that will be addressed include:** Should YOU pursue an entrepreneurial career path? When? What factors should you consider as you plot your career path? How should you think about your venture and the go/no-go decision you are facing?

Before this class you are expected to complete the personal reflection questions. These will not be graded, but are for your personal growth.

**May 4, 2023: Final projects due.**