COURSE OUTLINE
ENTR 2201
INTRODUCTION TO ENTREPRENEURSHIP

Course Information

**W07 Section 001**  Mondays  12:30 pm – 1:50 pm EB 3130
      Wednesdays  12:30 pm – 1:50 pm EB 3130

Instructor Information

**Instructor:** Vance Gough
**Office:** EB 2019
**Telephone:** 440-6838
**Email:** vance@gough.net
**Website:** Blackboard Site

Office Hours

By appointment – please call Franca at 440-6833

Course Required Materials

Knowles, Ronald A.,
*Small Business, an entrepreneur’s plan*, Fourth Canadian Edition,
Thompson/Nelson, 2003

Joyce, Ron and Thompson, Robert
*Always Fresh, The Untold Story of Tim Hortons*, 2006

FitzGerald, Ian
*Horse of a Different Wheelbase, The AdFarm Story*, 2005

Mark Allocation

<table>
<thead>
<tr>
<th>Activity</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unscheduled Quizzes and Attendance at mandatory events</td>
<td>10%</td>
</tr>
<tr>
<td>Opportunity Identification Exercise (Group)</td>
<td>March 7</td>
</tr>
<tr>
<td>Interview an Entrepreneur 8 min Video (Group)</td>
<td>February 28</td>
</tr>
<tr>
<td>Mid-Term Exam (Individual)</td>
<td>March 14</td>
</tr>
</tbody>
</table>
Course Description

This course develops an awareness of the state of entrepreneurship in Canada. Students are introduced to elements of successful entrepreneurship, opportunity identification and assessment, economic development potential of small business in Canada, alternative forms of work arrangements in the new economy balancing an entrepreneurial lifestyle, determining what success means to each student, goal setting and visioning.

The goal of this course is to introduce first year Bachelor of Applied Business and Entrepreneurship Degree students to the state of entrepreneurship in Canada, providing insight into: 1) the significance of entrepreneurship in Canada, 2) entrepreneurial processes - from finding and evaluating good business opportunities to new venture start-up and growth issues, and 3) entrepreneurial behaviour, a critical success factor in new venture creation. Students will learn key entrepreneurial concepts through lecture material, experiential learning, videos and interaction with successful entrepreneurs.

ENTR 2201 is designed to help students:
• Develop a thorough understanding of the entrepreneurial process and its components:
  - Opportunity Identification and Assessment
  - Key Personal, Psychological, Organizational, Industrial and Environmental Characteristics
  - Business Growth Issues
• Develop the ability to generate and assess new venture ideas.
• Apply theory, concepts and ideas presented in class to their own business ideas.
• Understand practical small business operational issues such as taxation, licensing, liabilities, legal forms of business ownership, etc.
• Understand the significance of entrepreneurship to the Canadian economy.

Learning Outcomes

Mount Royal College has identified six college-wide learning outcomes that are critical to workplace success and a life of continuous learning: Communication, Thinking Skills, Computer Literacy, Ethical Reasoning, Group Effectiveness and Information Retrieval & Evaluation. All courses offered at the college emphasize one or more of the college-wide outcomes. In this course we emphasize all of the outcomes.

<p>| ENTR 2201 |
|-----------------------|------------------------|-----------------------|------------------------|
| College-wide Learning | Related Course Specific Learning Outcomes | Teaching/Learning Strategies | Assessment Strategies |</p>
<table>
<thead>
<tr>
<th>Communication</th>
<th>Effective written and oral communication</th>
<th>Public Speaking Lecture,</th>
<th>Presentations, External Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Reasoning</td>
<td>Awareness of ethical business practices and the desire to volunteer and assist with community initiatives.</td>
<td>Lecture on ethics and social responsibility, Interviews with local entrepreneurs.</td>
<td>Interview with local entrepreneur, Exam.</td>
</tr>
<tr>
<td>Computer Literacy</td>
<td>Awareness of various forms of media to present ideas and analysis.</td>
<td>Demonstration of past projects, Access to Media Production facilities.</td>
<td>Digital video editing and production, presentation software skills.</td>
</tr>
<tr>
<td>Information Retrieval and Evaluation</td>
<td>Conducting research</td>
<td>Lecture and examples of real-life practices.</td>
<td>Primary and Secondary Market research.</td>
</tr>
<tr>
<td>Group Effectiveness</td>
<td>Awareness/sensitivity to different cultural and business environments. Act as good corporate citizens.</td>
<td>Students form different teams on projects and in Apprentice tasks and learn how to delegate and deal with consequences.</td>
<td>Peer evaluations of team performance.</td>
</tr>
</tbody>
</table>

### Grading Scheme

Please refer to the College Calendar for a complete table of the accepted letter grades and their descriptions. In this course, all term marks will be awarded in percentages, which will be converted to letters for the assignment of final grades using the following ranges.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>F</td>
<td>0–49</td>
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<tr>
<td>D</td>
<td>50–54</td>
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<tr>
<td>D+</td>
<td>55–59</td>
</tr>
<tr>
<td>C-</td>
<td>60–62</td>
</tr>
<tr>
<td>C</td>
<td>63–66</td>
</tr>
<tr>
<td>C+</td>
<td>67–69</td>
</tr>
<tr>
<td>B-</td>
<td>70–72</td>
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<tr>
<td>B</td>
<td>73–76</td>
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<tr>
<td>B+</td>
<td>77–79</td>
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<tr>
<td>A-</td>
<td>80–85</td>
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<tr>
<td>A</td>
<td>86–92</td>
</tr>
<tr>
<td>A+</td>
<td>93–100</td>
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</tbody>
</table>
Course Policies

1. **Late deliverables:**
   The student or student group must submit all assignments within the first five minutes of class. Failure to do so without prior approval by the instructor will result in a 20% reduction immediately after the time due and a further 20% reduction per day late.

2. **Attendance & Participation:**
   Attendance and participation in class discussions (or lack thereof) will be evaluated and taken into consideration when final grades are being prepared. Students cannot participate if they are not present in class. Also, additional information may be covered in class which you will be responsible for on unscheduled quizzes or on the mid-term examination. All students are expected to display their names at all time in class on tent style cards or on a piece of paper at the front of their desks. Formal Attendance may be taken at any time during classes. There will also be some mandatory events in which attendance will be taken and grades will be deducted from the “unscheduled quizzes and attendance at mandatory events” portion of your grade.

3. **Academic Dishonesty and Non-Academic Misconduct:**
   Students will respect the basic standards of intellectual integrity, including, but not limited to, refraining from plagiarism, cheating or copying someone else’s work.

   “Plagiarism consists of using other people’s words or ideas without adequately acknowledging the source of those words or ideas. Plagiarism can take many forms: stealing an entire essay and submitting it as one’s own work; quoting parts of a source without acknowledging that source; quoting parts of a source without quotation marks (even if the source is listed in the Works Cited list); too few in-text citations compared to the amount of information used; incorrect, incomplete, or missing documentation elements. Penalties for plagiarism can range from a reduction in the assignment grade to expulsion from the college”

   -with thanks to Bill Bunn, Department of English, Mount Royal College

   In addition, students are expected to take an active role in encouraging other members of the academic community to refrain from academic dishonesty, and are asked to advise the instructor if they are aware of any such violations. This provision applies to any work submitted as a group project. Students are strongly recommended to read the complete Code of Student Conduct, which can be found on-line at: [www.mtroyal.ca/codeofstudentconduct](http://www.mtroyal.ca/codeofstudentconduct).

4. **Course Withdrawals:**
   Students who wish to withdraw from a course must submit a Course Withdrawal Form before the published deadline date (March 26, 2007). Forms are available from the Registrar. Students who do not follow the proper withdrawal procedures will be reported as having failed the course. The deadline for withdrawals can be found in the College Calendar.
An Instructor may withdraw a student from a course if the student fails to regularly attend class, fails to complete required course work or fails to meet performance standards as set by the Instructor.

5. **Group Grading:**
All group assignments are graded on a competitive basis between groups. Grading is on a curved distribution for these assignments after the Instructor has established a benchmark passing grade for the class(es).

6. **Peer Evaluations:**
Individual and Confidential evaluations will be done by each group member in order to fairly evaluate one’s contribution to group work. This evaluation will have the ability to increase or decrease each individual student’s group component grades by up to 20%.

7. **Deferred Examinations:**
The midterm examination will be held during class time on the day set out in the course timetable. Deferrals for midterm exams will be allowed for medical affliction, religious conflict or personal problems, but must be supported by the appropriate written documentation. Students who are absent from midterm exams without prior and approved notice, in writing, to the instructor, will not be eligible to write a deferral, and will be awarded a failing grade for that examination.

Deferred midterm exams can only be written at two times: Friday afternoons on dates set by Testing Services and Thursdays at 4:00 pm in the Bissett School of Business.

There will be no deferrals permitted for any of the unscheduled quizzes in this course.

8. **Correctness Policy:**
Virtually all readers of business documents expect correct grammar, punctuation, spelling, and word usage. Based on this expectation, all graduates of MRC’s Bissett School of Business are expected to be competent in this area. Therefore, the Bissett School of Business has established a minimum correctness policy for all written work submitted for business course credit. These standards apply to spelling, grammar, punctuation, and word usage, but may also apply to other elements deemed important by your instructor. Additionally, each instructor is free to require a higher standard of correctness for their particular course.

In all written work submitted for business course credit, students will be allowed, on average, a maximum of two of the errors listed below per page without
penalty. For example, in a five-page report, a student (or students) would be allowed a maximum of ten errors. (All of these errors could be concentrated on the same page, provided the rest of the document was error free.)

After the maximum allowable errors have been reached, a student will be penalized up to 6% of the assignment grade for any additional errors (i.e., approximately two components of a letter grade).

<table>
<thead>
<tr>
<th>The following constitute correctness errors falling under this policy.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sentence structure: fragments, fused sentences, comma splices.</td>
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<tr>
<td>• Agreement: subject-verb and pronoun-antecedent.</td>
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<tr>
<td>• Spelling, word usage, and Standard English usage. The same word misspelled repeatedly constitutes one error.</td>
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<tr>
<td>• Comma usage.</td>
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<tr>
<td>• Semicolon and colon usage.</td>
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<tr>
<td>• Apostrophe usage. Repeated misuse of the apostrophe in the same word constitutes one error.</td>
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</table>

**Examinations:** NOTE TO ALL STUDENTS: All cell phones and other unauthorised electrical devices MUST be turned off during examinations. Failure to comply may result in a failing grade on the exam.

**Timetable (subject to change from time to time)**

<table>
<thead>
<tr>
<th>M Jan 8</th>
<th>Instructor is presenting at International Conference on Entrepreneurship, thus instead of scheduled classes there are the following assigned readings for the first week of classes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>M Jan 8</td>
<td>• Students are to read course outline; and • read “Always Fresh” by Ron Joyce; and • read “Horse of a Different Wheelbase” by Ian FitzGerald. • Read textbook Your Great Adventure: Exploring Your Options Chapter 1</td>
</tr>
<tr>
<td>W Jan 10</td>
<td>This reading is to take place during class periods on Jan 8 and 10 and needs to be finished prior to the January 15 Class. (There may be a quiz on this reading and the material will be examined in the scheduled mid-term exam.)</td>
</tr>
</tbody>
</table>

<p>| W Jan 10 | FINISH Readings as assigned on Jan 8. |
| M Jan 15 | Tucker (Video) |
| W Jan 16 | Tucker (Video) cont. |
| M Jan 22 | Minefield Exercise (in class) |
| W Jan 24 | Idea Generation |</p>
<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Topic</th>
<th>Chapter</th>
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</thead>
<tbody>
<tr>
<td>M</td>
<td>Jan 29</td>
<td>Spotting Trends and Opportunities</td>
<td>Chapter 2</td>
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<td>Positioning Yourself as an Entrepreneur for Market Opportunities</td>
<td>Chapter 3</td>
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<tr>
<td>W</td>
<td>Jan 31</td>
<td>Profiling Your Target Customer</td>
<td>Chapter 4</td>
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<td>Learning from the Competition</td>
<td>Chapter 5</td>
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<td>Marketing Strategies and Promotion</td>
<td>Chapter 6</td>
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<td>Video Tutorial (Guest from Media Production)</td>
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<td>M</td>
<td>Feb 5</td>
<td>Location</td>
<td>Chapter 7</td>
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<td></td>
<td>Protecting Your Business from Costly Surprises</td>
<td>Chapter 8</td>
</tr>
<tr>
<td>W</td>
<td>Feb 7</td>
<td>The Power of Numbers</td>
<td>Chapter 9</td>
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<td></td>
<td></td>
<td>Shaking the Money Tree</td>
<td>Chapter 10</td>
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<td>Cash Budgeting <em><strong>BRING CALCULATOR</strong></em></td>
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<tr>
<td>M</td>
<td>Feb 12</td>
<td>Legal Concerns – Ethics and Social Responsibility</td>
<td>Chapter 11</td>
</tr>
<tr>
<td>W</td>
<td>Feb 14</td>
<td>Building and Managing a Winning Team</td>
<td>Chapter 12</td>
</tr>
<tr>
<td>M</td>
<td>Feb 19</td>
<td>READING WEEK</td>
<td></td>
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<tr>
<td>W</td>
<td>Feb 21</td>
<td>READING WEEK</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>Feb 26</td>
<td>Buying a Business or Franchise</td>
<td>Chapter 13 &amp; 14</td>
</tr>
<tr>
<td>W</td>
<td>Feb 28</td>
<td>Hand in and show videos for “Interview an Entrepreneur”</td>
<td></td>
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<tr>
<td>M</td>
<td>Mar 5</td>
<td>Group Work on Opportunity Identification Exercise</td>
<td></td>
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<tr>
<td>W</td>
<td>Mar 7</td>
<td>Opportunity Identification Exercise (Due)</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>Mar 12</td>
<td>Exporting: Another Adventure Beckons</td>
<td>Chapter 15</td>
</tr>
<tr>
<td>W</td>
<td>Mar 14</td>
<td>MID TERM EXAM</td>
<td></td>
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<tr>
<td>M</td>
<td>Mar 19</td>
<td>Feasibility Analysis</td>
<td></td>
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<tr>
<td>W</td>
<td>Mar 21</td>
<td>Making a Public Presentation (intro of “The Apprentice” Task 1)</td>
<td></td>
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</tbody>
</table>
M Apr 2  “The Apprentice” Task 1 DUE (Intro of “The Apprentice Task 2)

W Apr 11  “The Apprentice” Task 2 DUE

ASSESSMENT

NOTE: All presentations will be timed during the Apprentice Tasks

1.  Mid-Term Exam
   There will be a Mid-Term Exam on March 14, counting for 25% of the final grade, and consisting of multiple-choice questions. The cumulative exam will cover: all chapters covered in class up until the day of the exam, all lecture material covered by the instructor including PowerPoint slide information and discussions and/or any guest speakers. Questions may also cover the Minefield exercise and the movie “Tucker” and the two additional books assigned as readings during the first week of classes. More information may be provided in class.

2.  Opportunity Identification Exercise:

   6 Step Process:
   a.  Meet with your group for one hour. With this group you need to discuss your individual strengths, weaknesses, values and ethics. In other words, what you enjoy doing because you do it well (jobs, hobbies, athletics, past times) and where your limits are in terms of ethics?

   b.  On their own, each student will then individually identify a single problem(pain), for which a solution would provide a remedy for a major group of consumers, for which consumers would pay to have the problem solved. Each student will then, on his/her own, evaluate this industry for 2 hours at the library (you are only looking for a broad overview of what the industry entails).

   c.  Using the information researched from step (b.), meet with your group and “actively brainstorm” potential products or services for each group member’s problem/pain identified. (This brainstorming should last at least one hour). (No negative comments allowed). You will need to list 100 TOTAL potential company product/service ideas from this process. THIS 100 TOTAL INCLUDES ALL PAINS IDENTIFIED BY THE GROUP. (All ideas should be unique, inventive and be “pain killers”).

   d.  Take this list of potential ideas and for one hour, look back at what you previously discussed in (a.) and use that information as a criteria framework to narrow the 100 ideas down the 5 best ideas for your group. Keep in mind that one of the students may have an idea that they already want to form a business around.
e. Then take the 5 ideas and narrow them down to the one which most closely peaks your group’s interest.

f. Write a five page (max) paper which should include:
   - One page list of your 100 ideas.
   - One page summary of your 5 narrowed ideas (one paragraph describing each).
   - Three pages, stating your final narrowed idea and then answering the following questions (**in as much detail - not general statements**) on that idea.

Questions to answer on final idea:
   - Why you chose it?
   - What are the essential attributes of the idea?
   - Where did the idea come from? In what context during the brainstorming did it come up?
   - **How profitable is the venture likely to be?** **NOTE this is weighted 40% of the grade for this assignment!!
     This should include a revenue forecast and a list of expenses to meet this forecast. (Presented in an income statement format as an appendix)
   - What resources would you need to exploit the idea?
   - What is your ability to carry out this idea? Who else might you need to involve?
   - What is the success potential, on a scale of 1 to 5 (with 5 being a profitable venture), of the idea being proposed and why?

**Group write up of process: 5 pages max**
To be finished on or before **March 7 at the beginning of class**: 10%

3. Interview an Entrepreneur:
   Interview an early stage entrepreneur (within the first five years of business operations) using the attached format. Each group will be required to deliver a summary of their findings in class with an 8 minute max edited group video. (Group Video to be handed in on or before **February 28**) (All videos will be timed and at 8 minutes will be stopped) Grading will be based 60% on content and 40% on creativity and expression of how the interviewee compares to the “ideal entrepreneur” (all waivers/releases are required at time of submission to receive a grade).

8 Minute Group Videos will be shown on **February 28**: The Video should cover the four main topic areas asked in the Interview an Entrepreneur Exercise Handout (attached). Video Presentation 20%

Similar to the TV show, “The Apprentice”, for the last three weeks of classes, there will be two sequential tasks given to student teams. Students will have the opportunity to compete against other student teams in these experiential learning activities which will incorporate Market/Technical/Financial/Human Resource Feasibility analysis. Tasks will each be explained, including grading specifications, only when they are assigned. It is imperative that all students attend class on Wednesday March 21st, when the first task is assigned and then on Monday April 2nd when the second task is assigned. There will not be regular ENTR 2201 class periods during the last three weeks of the semester except for presentations, but instead Fridays from 08:30 am to 04:30 pm should be booked to allow for time for the completion of these tasks.

Note: Groups are expected to make professional presentations to classes and judges during these tasks. Students will also be expected to dress in business attire and act professionally when tasks are explained and when working with companies and judges.

5. **Unscheduled Quizzes and Attendance at Mandatory events:** There will be a number of unscheduled quizzes given during the semester. They will commence at the beginning of the class period and will consist of five multiple choice questions each. The quizzes will cover chapter readings for that period from the textbook and will be graded immediately in the class. Attendance will also be taken at mandatory events for which grades will be allocated. At least two weeks notice will be given before an event.
Group Letter:
Student Name:

Purpose: To assist the instructor in determining the “team component” of each individual’s grade as fairly as possible.

Assumption: When a member has, in total, contributed to the overall work of the team about the same as the average team member he/she should receive 100% of the “overall team grade” for the team component of the course.

When a member has contributed more than average to the work of the team (e.g. analytical, organizational, written, investigative, verbal) he/she should receive more than 100% of the team grade (e.g. 110%, 120%, etc.)

Similarly, when a member has contributed less than average, he/she should receive less than 100% of the team grade (e.g. 90%, 80%, etc.)

Instructions: Multiply the total number of members of your group by 100. Divide this total amount between your group members according to their group contribution. (Percentage allotted to yourself should not exceed 100%.) Please list below the members of your team and indicate what percentage of the team grade you would recommend each other member should receive. Be sure to indicate your percentage also.

<table>
<thead>
<tr>
<th>Name</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>1. (Yourself)</td>
<td></td>
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<td>2.</td>
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<td>3.</td>
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<td>4.</td>
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<td>5.</td>
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</table>
Whenever possible, graded exams, assignments and assessments will be returned directly to the student. In the event that this practice will unduly delay or complicate distribution, Vance Gough would prefer to place the graded/assessed work in a public place for pick up.

I, ___________________________, agree that any graded assignments, examinations or assessments created for marking by Vance Gough can be returned by placing them in a public place for pick up.

Signature: ___________________________ Date: ___________________________
This should be able to be completed in one group sitting. Don't worry too much if you can't answer all of the questions with certainty. Make your best guess. (HINT: 80% of ideas will be screened out through this process)

Determine quickly if it is a Go or No Go in terms of keeping this idea or moving on to the next.

**Market Feasibility**

**Key Question:** Is this a service or product that customers will buy?
- What are the direct benefits to the customer?
- Describe the pain or problem that the service or product will fix?
- Approximate the best you can the size of the market?
- Where are customers getting the product now?
- Where are the customers?
- How will we reach them?
- Why would they purchase from us?
- How many would purchase from us?
- Is this a product or service that other products or services can be expanded from over time? (Platform product or service) What are the opportunities for growth?
- Is the industry that the business falls within, large and growing? (Favourable)

**Technical Feasibility**

**Key questions to answer:** Can it be done and should it be done?
- Are the core technologies available? (Have, develop or get)
- Are there any laws or regulations against this business concept?
- Are there moral or ethical issues that need to be considered?

**Human Resource Feasibility**

**Key Question:** Is this the right business for me?
- What are our interests?
- What are our values?
- Do our skills and abilities fit the business?
- What are the skills needed that we don't have?
- Who would we need to hire, when and how much would it cost?

**Financial Feasibility**

**Key Question:** Will this venture be worthwhile financially?
- Sales projection for the first year of operation?
- Fixed and variable costs?
- Gross and net margins? (Attractive opportunities have potential for durable profits of at least 10 -15 % net margin)
- Assets and pre-start up expenses?
- Can we raise the capital to start this venture?
To pick your final group idea:
1. Do a “Back of the Envelope Analysis” on each of your top five ideas.

2. THEN: Technical Development Considerations
   Keep it Simple: Keep it simple to build, transport, maintain, and use.
   Make it Flexible: Product might be used for a number of different applications.
   Robust and Work as Intended: Products needs to be durable, reliable, safe and easily maintainable.

3. THEN: Compare your Idea to the Ideal Business

<table>
<thead>
<tr>
<th></th>
<th>Very Good</th>
<th>Average</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>No investment</td>
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<td></td>
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<td>Recognized market</td>
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<td>Dependable supply</td>
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<tr>
<td>No labor force</td>
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<td>100% gross margin</td>
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<td>Frequent purchase</td>
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<td>Favorable tax treatment</td>
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<td>Established distribution</td>
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<td>Great publicity value</td>
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<td>Payment in advance</td>
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<td></td>
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<tr>
<td>No liability risk</td>
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<tr>
<td>No technical Obsolescence</td>
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<tr>
<td>No physical perishability</td>
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<tr>
<td>Impervious to weather</td>
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<tr>
<td>Proprietary rights</td>
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</table>

   THEN: Compare your Idea to Fatal Flaws

<table>
<thead>
<tr>
<th></th>
<th>Very Good</th>
<th>Average</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very small market for the product.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overpowering competition and high cost of entry.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inability to produce a competitively priced product.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of influence over product development costs.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inability to go beyond a one-product company.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overwhelming financial requirements.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inability to achieve adequate growth.</td>
<td></td>
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</tr>
</tbody>
</table>
Feasibility Evaluation is based on research in four main areas:

**Market Feasibility**
Questions to Answer from Primary Research
1. What pain or problem are customers encountering? What do customers want?
2. Where are customers getting the product now? What do customers think of their current service?
3. What would customers think about your service? What are the direct benefits to the customer?
4. Where are the customers?
5. How will you reach them?
6. Why would they purchase from you?
7. What external factors come to bear? (Government, Industry Dynamics etc.)
8. How long will this opportunity last in the market? (Window of Opportunity)
9. What keeps new competition from entering this market? (Barriers to Entry)
   - Do a Competitive Grid and a Price Quality Matrix to show which niche you will attempt to fulfill.
10. How long will this product or service have market demand? (Product life -cycle)

Questions to Answer from Secondary Research
1. What is the size of the market?
2. What is the growth rate of the industry?
3. Is the market at full capacity?
4. Where are customers getting the product now?
5. Where are the customers?
6. How many would purchase from you?
7. What external factors come to bear? Government, Industry Dynamics
8. How long will this opportunity last in the market? (Window of Opportunity)
9. What keeps new competition from entering this market? (Barriers to Entry)

**Technical Feasibility**
Questions to Answer
NOTE: The answers come primarily from qualitative research
1. What are the options for developing the technology (customer, off the shelf, design yourself, subcontract)?
2. What are the options for producing the product or service?
   - In House
   - Subcontract
   - License
   - Joint Venture or Partnership
   - Combination
3. What are the options for Sales and Distribution?
   - In House
   - Whole Sale
   - Distributors or Sales Representatives
• License
• Joint Venture or Partnership
• Combination

4. What resources are required for development and are they available to you (skills, raw materials, components, suppliers, facilities & equipment)?

5. What are the laws and regulation relating to the business?
   • Industry Standards or Regulations (Dangerous Goods, (Canadian Standards Association - CSA), ISO
   • Personal Certifications
   • Intellectual Property (Patents, trademarks, copyrights)
   • Environmental Liability

6. Has the research discovered any moral or ethical issues that you are uncomfortable with?

7. What technological changes are changing or emerging that may affect the business?

Financial Feasibility

1. What are the projected Revenues from the sale of your product or service?
   • From the Market Research, what is the projected sales volume in "units sold?" and in "dollars sold"?
   • From the Market Research, what is the selling price per unit?
   • What is the total expected revenue?

2. What are the financial dynamics and opportunities?
   • Costs Structure (per unit basis)
     - Price per unit minus
     - Variable Costs (Cost of Good Sold & Controllable Costs) per Unit equal
     - Gross Margin per Unit minus
     - Fixed Costs per Unit equal
     - Net Margin per Unit

3. Is it worthwhile financially?
   • 1 Year Monthly Cash Flow Statement. (Completed in a spread sheet format so it can be built upon with new information)
   • Ensure that you clearly show all assumptions for this statement.

4. How much investment is required?
   • One Time Assets and Startup Expenses
     - Plant & Equipment
     - Leasehold Improvements
     - Initial Inventories
     - Research & Development
     - Legal
     - Experts
   • Operating expenses prior to break even
     (Appendix A Startup Expenditures & Expenses Worksheet)

5. What are the financial risks?
   • Break Even Analysis Units to break even. (Total fixed costs from Income statement divided by Gross margin per unit) Figure out on a monthly basis.
   • Payback (Investment required divided by net margin per unit - Date when units calculated above are sold & collected.)
• Return on Investment (Yearly Net Profit divided by Total Investment required)
• Risk vs. Reward (Personal feelings of the risks and rewards)
• Opportunity Costs (Can you get a better return somewhere else?)
• Personal Financial Risk (What will you have to give up. Sign over mortgage etc.)

6. What are the possible sources of financing?
• Chances of getting the money?
• What will you have to give up?

7. General Financial Numbers that would indicate attractiveness of Venture
• Gross Margin 20 - 30% plus
• Net Profit Margin - 10 to 15%. Plus
• Return on Investment - 15% plus
• Payback - 3 years or less.
• Break even - 2 years or less

• Note: These numbers must not be looked at in isolation over a one year period. You need to look at the numbers over a 3 year period and as a whole, not just individually. Industry averages can be quite different.

Human Resource Feasibility
Questions:
1. What technical and management experience is required?
2. Who are the owners and what are their roles? (Entrepreneur, Manager, Tech. Expert)
3. What is the ownership structure?
4. What are the manpower requirements?
   - How will you find the right employees?
   - How will you compensate employees (pay for time, for production, for knowledge, or a combination)?
   - How will you motivate employees?
   - What training will they need on an ongoing basis?
5. What is the company’s growth strategy?
   - How will quality be managed and maintained?
   - How will organizational structures change with growth?
   - What career paths will employees have available?
# Appendix A

## Start-up Expenditures and Expenses Worksheet

<table>
<thead>
<tr>
<th>Item</th>
<th>Total Cost</th>
<th>Cash Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Inventory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start up Supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility hookups &amp; Installation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising (Preopening)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Estimated One-Time Cash Requirements</strong></td>
<td>__________</td>
<td>__________</td>
</tr>
</tbody>
</table>

## Start-up Operating Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Estimate No. of Months</th>
<th>Total Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners Salary</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Employee’s salary, wages, benefits</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Rent</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Promotion expenses</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Supplies and postage</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Vehicle Expenses</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Telephone</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Travel</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Interest</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Maintenance</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td>Other</td>
<td>__________</td>
<td>__________</td>
</tr>
<tr>
<td><strong>Total Cash Required to Cover Operating Expenses</strong></td>
<td>__________</td>
<td></td>
</tr>
<tr>
<td>Plus: Total One-Time Cash Requirements (Previous Table)</td>
<td>__________</td>
<td></td>
</tr>
<tr>
<td>Add 10% Safety Factor</td>
<td>__________</td>
<td></td>
</tr>
<tr>
<td><strong>Total Cash Required for Start-up</strong></td>
<td>__________</td>
<td></td>
</tr>
</tbody>
</table>

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*Page 18*
STEP 1: **Contact the entrepreneur you have selected and make an appointment.**
Be sure to explain why you want the appointment to give a realistic estimate of
how much time you will need. Let them know that they will be videotaped and
will need to sign a release and waiver. Have at least two different times when
you can be available to allow for a good fit with their schedule.

STEP 2: **Identify specific question you would like to have answered.** Organize your
thoughts into general categories with specific issues within the categories. Use
this to focus the interview and guide your questioning. Think about how the
filming will be done. (Angles, close in shots, theme, etc) *(Book your
equipment)*

**Hints on Questioning:**

a) Use open ended questions, questions that can not be answered yes, no or very
short answer, will help the interview move along.
b) Ask general questions with specific follow-up questions to get more detail and
insight.
c) Use transition statements like, “I would like to know more about _____, could you tell
me about your experience?”

STEP 3: **Get your technical equipment and Conduct the interview and get the
waiver/release signed by both your team and the entrepreneur.**

**Hints on Interviewing**

a) Briefly introduce yourself: your name, the nature of the assignment, what you are
studying, etc. Find some commonality with the entrepreneur.
b) Listen closely and don’t let your thoughts wander to other subjects or the next
question.
c) Give the entrepreneur feedback in the form of nodding slightly, casual remarks (Uh-
huh, I see, is that so, etc), or echo – repeating back a few of their words
d) Paraphrase a complete thought to ensure you understand their thoughts.
e) Record your impression on paper – this will help you concentrate on listening
closely.
f) Be considerate of the entrepreneurs time, arrive on time or early, and end the
interview in a timely manner, but don’t be obsessed with the time.
g) Try not to be too nervous, entrepreneurs are people too and chances are they are
honoured to be identified as someone you would want to talk to.

STEP 4: **Evaluate what you have learned.** Analyze what they have said and identify
interesting or unusual ideas or concepts. Compare what the Entrepreneur said
compared to what we discuss about entrepreneurs in class. Are they similar,
different, why? Reflect on what the entrepreneur has said. Fill in any holes with
extra coverage of colleagues, investors, customers, etc.
STEP 5: Prepare a short - 8 minute video - utilizing the resources from the library and media production (Note: book these early, they may not be available near the time of the assignment due date) answering the questions in the interview questions guide. What were the most interesting and surprising things you learned from the entrepreneur.

STEP 6: Write a Thank You note. This is more than a courtesy. It will also help the entrepreneur remember you and the class favorably should you or other students want to follow up on the interview.

VIDEO CREATIVITY ASSESSMENT RUBRIC

<table>
<thead>
<tr>
<th>Creativity Component</th>
<th>0%-69%</th>
<th>70%-79%</th>
<th>80%-100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall effectiveness of video</td>
<td>Video was not visually interesting. Did not show much imagination. Did not convey information or compelling message.</td>
<td>Video was effective or appealing but not both.</td>
<td>Video was effective, informative and appealing.</td>
</tr>
<tr>
<td>Effectiveness of Introduction</td>
<td>Viewer had little good reason to keep watching.</td>
<td>Viewer was fairly well interested by the introduction.</td>
<td>Viewer was hooked from the beginning of the video and kept interest throughout.</td>
</tr>
<tr>
<td>Project Clarity</td>
<td>Many elements of the video were irrelevant to the overall message. Viewer was not sure what the message was.</td>
<td>Most elements of the video were relevant to the overall theme. Events and messages were mostly clear and in order</td>
<td>All elements of the video were relevant to the overall theme. Events and messages were in a clear and sensible order.</td>
</tr>
<tr>
<td>Indication of Thinking and Learning</td>
<td>There was little indication of imagination, creativity, research, and thoughtfulness in the video.</td>
<td>Video showed a basic command of the subject, but lacked creativity and thoughtfulness.</td>
<td>Video showed creativity, motivation, and critical-thinking. The presenters clearly had an understanding of the processes</td>
</tr>
</tbody>
</table>
RELEASE AND ACKNOWLEDGEMENT BY INTERVIEWEE

Know All Men by these presence that

______________________________________ (printed name of entrepreneur) of the City of Calgary in
the Province of Alberta, for and in consideration of ONE ($1.00) DOLLAR (receipt of which is hereby
acknowledged) paid to us by the Bissett School of Business of Mount Royal College at Calgary, Alberta,
was hereby remised, released and forever discharged, and by these presents do for ourselves, our heirs,
executors, administrators and assigns, remise, release and forever discharge the Bissett School of Business
of Mount Royal College at Calgary, Alberta, their employees, students, administrators and assigns, of and
from any and all manner of action and actions, cause and causes of action, sits, debts, dues, sums of money,
claims and demands whatsoever at law or in equity which we now have or may have in the future,
regarding all matters related to the creation and subsequent use of a videotaped interview which I have
agreed to give to a team of Bissett School of Business students from Mount Royal College on
_______________________________. (date of interview)

It is agreed and acknowledged that Bissett School of Business of Mount Royal College shall be the sole
owner of the said videotaped interview and it is further agreed and acknowledged that the edited
videotapes may be viewed for a wide variety of educational purposes in diverse settings before diverse
audiences.

IN WITNESS WHEREOF we have hereunto set our hand and seal this ______ day of _______, 2007.

SIGNED, SEALED AND DELIVERED ) __________________________________
In the presence of ) Signature of Entrepreneur named above
 )
 )
WITNESS NAME (Printed) ) Signature of Witness
 ___________________________________

RELEASE AND ACKNOWLEDGEMENT BY STUDENTS

Know All Men by these presence that

The undersigned team of students in the Province of Alberta, for and in consideration of ONE ($1.00)
DOLLAR (receipt of which is hereby acknowledged) paid to us by the Bissett School of Business of
Mount Royal College at Calgary, Alberta, by these presents do for ourselves, our heirs, executors,
administrators and assigns, remise, release and forever discharge Mount Royal College at Calgary,
Alberta, their employees, students, administrators and assigns, of and from any and all manner of action
and actions, cause and causes of action, sits, debts, dues, sums of money, claims and demands whatsoever
at law or in equity which we now have or may have in the future, regarding all matters related to the
creation and subsequent use of a videotaped interview of ____________________________(name of
entrepreneur) on ________________________(date of interview) which we made as an assignment for
ENTR 2201 at the Bissett School of Business at Mount Royal College.

We hereby acknowledged and agreed that the videotaped interview referred to in the preceding paragraph,
is and shall continue to be the sole property of the Bissett School of Business. We acknowledge and agree
that the edited videotape may be used for a wide variety of educational purposes in diverse settings before
diverse audiences.

IN WITNESS WHEREOF we have hereunto set our hand and seal this ______ day of _______, 2007.

________________________________________
Print Name underneath signature (all students names should appear with signatures)
These represent questions and areas that might be of interest in conducting your interview with the entrepreneur.

A. Would you tell me about yourself before you started your first venture:
   – Were your parents, relatives, or close friends entrepreneurs? How so?
   – Did you have any other role models or mentors?
   – What was your education experience like? In hindsight, was it helpful? In what specific ways?
   – What was your previous work experience? Was it helpful? What particular experiences were especially valuable in starting your business?
   – What kind of business or self employment experience did you have as a youth?
   – Tell me about any marketing or sales experiences you had as a youth. How important was it or would it have been in starting your company?

B. How did you start your venture?
   – How did you spot the opportunity? How did it come about and/or develop?
   – What were your goals when you started? What were you lifestyle need or other personal requirements? Was there a good fit?
   – How did you evaluate the opportunity in terms of the critical elements for success? The technical requirements of the business? The market? The financial requirements of the business and income potential? The people necessary to make it all work?
   – Did you find or have partners? What kind of planning did you do? What kind of financing did you have?
   – Did you have a start-up business plan of any kind? Please tell me about it.
   – How much time did it take from the idea to the first day of business? How many hours a day did you spend working on it?
   – How much capital did it take? How long did it take to reach positive cash flow and break even sales volume? How did you finance the business? Your own savings, family & friends, angels, banks, bootstrapping? Tell me about the pressures and crises during that early survival period.
– What outside help did you receive? Did you have experienced advisors? Lawyers? Accountants? Tax experts? Patent Experts, How did you develop these contacts and how long did it take? How did they make a difference to your company

– What was your family situation at the time?
– What did you perceive to be your own strengths? Weaknesses? What did you perceive to be the strengths of the venture? Weaknesses?

– What was your most triumphant or exciting moment? Your worst moment?

C. Once your got going
– What were the most difficult gaps to fill and problems to solve as you began to grow?

– When you looked for key people for partners, advisors, managers, or employees, were there any personal attributes of attitudes you were especially seeking because you knew they would fit with you and were important to success? How did you find them?

– Are there any attributes among partners and advisors that you would definitely try to avoid?

– Have things become more predictable or less and how?

– How does the time you spend with your business compare with when you first started? In your ideal world, how many days a year would you want to work? Please explain.

– What are your plans for the future? Expand, Maintain, Harvest?

– Have your goals for the business changed? How? Have your personal goals in life changed? How?

D. Concluding Questions
• What do you consider your most valuable asset(s) – the thing(s) that enabled you to succeed?

• If you had it to do over again, would you do it again, in the same way?

• As you look back, what do you feel are the most critical concepts, skills, attitudes, and know-how you needed to get your company started and grow to where it is today? What will be needed in the next five years? To what extent can any of these be learned?
• Some people say there is a lot of stress being an entrepreneur. What have you experienced? How would you say it compares with other jobs such as _________ or ____________.

• What things do you find personally rewarding and satisfying as an entrepreneur? What have been the rewards, risks, and tradeoffs?

• Who should try to be an entrepreneur? And who should not?

• What advice would you give an aspiring entrepreneur? Could you suggest the three most important lessons you have learned? How can I learn them while minimizing the tuition?

• Would you suggest any other entrepreneurs I should talk to?
E X P E C T A T I O N S  O F  B U S I N E S S  C O N D U C T

A successful career in business requires more than technical skills – skills including expertise and proficiency in accounting, marketing, human resources, insurance, aviation, management, or entrepreneurship. It requires the ability to build productive, long-term relationships with other members of the organization, the industry, and the community. Such relationships are developed through day-to-day behaviors that convey respect, honesty, confidence, and professionalism.

In the Bissett School of Business, students, faculty, and administrative staff are expected to adhere to behavioral standards that reflect these same attributes.

**Professionalism**
- being prepared for meetings, classes, appointments, presentations
- being correct and clear in written and oral communication
- refraining from inappropriate gossip, such as making derogatory comments about students to other students, about instructors to other instructors, etc.
- adopting actions, demeanor, and dress that are appropriate to each situation
- keeping confidential information in the proper circles.

**Respect**
- arriving on time for classes, appointments, office hours, and meetings
- listening to the presentations, comments, questions, and opinions of others without interruption or ridicule
- expressing differences of opinion or dissatisfaction without aggression or personal attacks on others
- avoiding actions or words that may harm others
- using courteous language in all manner of communication (verbal, written, electronic)
- adopting the “golden rule” and treating others as you would like to be treated – fairly and equitably.

**Responsibility**
- obeying all Mount Royal College policies and rules (as outlined in the Calendar) and applicable civil and criminal legislation
- accepting responsibility and consequences if deadlines are missed or established requirements are unmet
- managing personal, career, and academic progress (i.e., not relying on others for reminders of course, program, professional certification, or other requirements)
- meeting commitments.

**Honesty**
- refraining from all forms of academic dishonesty (e.g., representing the work of others as original, using prohibited aids during examinations, etc.)
- being truthful in dealings with other constituents in the Bissett School of Business.