Entrepreneurship and Innovation

Academic Year: **2019/2020**   **2nd** *Semester*

Level of curricular unit: Undergraduate (1st cycle, as defined in the Framework of Qualifications for the European Higher Education Area)

Instructor(s): **António Lucena de Faria**

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Biography:

Antonio Lucena de Faria started his first business when he was 15 years old. His only job started in 1985 and lasted less than two years during which he was a Consultant for Arthur Andersen & Co. in the Minneapolis, USA office. In 1987 he founded Methodus Sistemas, a Consulting and Software Development company specialized in Financial Services and has been the President of the Board since then. In 1999 he started PortalFinanceiro.com S.A. and MTDS, SGPS. S.A. and was the President of both companies. In 2000 he was one of the founders and the CEO of forumB2B.com, a partnership between Methodus, EDP and GALP. In 2002 António was one of the three founders of Selplus S.A. In 2008 he created FundManager Lda, a software company specialized in Real Estate Fund Management. In 2010 he was the founder of ActionFlow.com and was the first Portuguese invited to pitch a project at DEMO in Silicon Valley, California. In 2012 he was the founder of Fábrica de Startups and is currently the President and CEO of this startup accelerator. In 2016 he started with other partners an Investment Vehicle, named Startup Discoveries. His latest project is Ready2Start, a startup launched during the Web Summit 2018.

António is also the organizer of the Energia de Portugal project, a partnership between Expresso, Fábrica de Startups, EDP, CGD and SAGE, Ideation Week for Tourism, Ideation Week for Health Ideation Week for Retail, Ideation Week for Open Banking, Tourism Explorers in partnership with Turismo de Portugal and Blue Bio Value in partnership with Fundação Oceano Azul and Calouste Gulbenkian Foundation. António is also a board member at Associação Portuguesa de Business Angels (APBA) and coordinator of the Conselho Nacional de Empreendedorismo e Inovação (CNEI).

Antonio has a degree in Economics from Universidade Católica Portuguesa and a MBA from the Carlson School of Management, University of Minnesota, USA. During his thirty-five years of professional experience, António participated in several management courses including at HEC, Jouy-en-Josas, France, London Business School, London, UK, Babson College, Boston, USA and Harvard Business Scholl, Boston, USA

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<u>Course overview and objectives</u>**:**

This course is about the relationship between entrepreneurship and innovation. It will address how to foster innovation and how having an entrepreneurial attitude is critical for the development and implementation of innovative products, services and processes.

Students will learn about the importance of evidence-based entrepreneurship in bringing innovative ideas to the market. This course main objective is to prepare students to be intrapreneurs and contribute to innovation inside existing businesses. The course starts with how to find problem/opportunity areas that can be the foundation for innovative business ideas. Students will learn about methods and tools that can be used to generate business ideas. After analysing different ideas using the Business Utility Map, students will create teams and select the best idea, followed by designing the respective Business Model, as defined by Alex Osterwalder. Each team of students will have to identify and validate the riskiest hypothesis that support the Business Model, conduct customer interviews, build a real-life prototype and get concrete evidence regarding the viability of the business. Students will also have to prepare an Implementation Plan, create marketing materials and find out how to finance the new business. The course will end with a presentation by each team about the work done and lessons learned during the course.

The main learning objectives are:
•   Understanding the relationship between entrepreneurship and innovation, the most common reasons for failure and the new approaches to mitigate the risks of starting a business;
•   Improving the ability to identify and select high-potential business ideas, inside or outside a corporation;
•   Acquiring the concepts, processes and attitudes necessary to start a new business;
•   Designing a business model and identifying the riskiest hypothesis;
•   Learning the importance of validating the business model hypothesis and the team composition before creating a business;
•   Experiencing the benefits of effective teamwork and peer-group review and feed-back throughout the ideation, validation and planning phases of starting a new business venture or business unit.

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<u>Course Content</u>**:**

This course is structured around six different phases:

1) The Inception Phase, dedicated to gain insights about complex behaviours and emotions to identify problem/opportunity areas

2) The Ideate Phase, focused on finding business Ideas using creativity enhancing tools

3) The Improve Phase, where ideas are improved and classified according to the value generated

4) The Investigate Phase, during which each team will create the Business Model related to their business idea

5) The Iterate Phase, composed of different steps dedicated to Building a proof-of-concept product or service and getting concrete evidences of the business viability

6) The Infiltrate Phase, dedicated to setting up everything that is needed to develop and utilize or commercialize the innovative idea.

COURSE OUTLINE

	Topics	Readings	Work Due
1	The concept of innovation and entrepreneurship	"The First Mile", Scott D. Anthony, Pages 1 to 23 The Business of (Tech) Startups", Paul Sing	
2	The innovation process	"The First Mile", Scott D. Anthony, Chapter 2	Assignment #1: What is the First Mile Problem?
3	Finding a great business idea	How to Get Startup Ideas", Paul Graham "Ten Types of Innovation", Larry Keeley	Assignment #2: Why is entrepreneurship becoming democratized?
4	Evaluating and choosing the best idea	"The First Mile", Scott D. Anthony, Chapter 3 "Knowing a winning business idea when you see one", Kim Mauborgne, HBR September 2000	Assignment #3: Challenges, Benchmarking and List of Ideas
5	Evidence-based Innovation	"The First Mile", Scott D. Anthony, Chapter 4 "Why the Lean Startup Changes Everything", Steve Blank, HBR May 2013 Business Model Generation", Alex Osterwalder, Pages 1-72	Assignment #4: Customer Utility Map
6	Corporate Innovation and Entrepreneurship	"The First Mile", Scott D. Anthony, Chapter 5 and 6 "The Innovator's Hypothesis: How Cheap Experiments Are Worth More than Good Ideas", Michael Schrage, Pages 3-48	Assignment #5: Business Model 1.0 and Hypothesis Forms
7	Observation and Interviewing	"Writing a good hypothesis", Jonathan Wylie "Lean Customer Development", Cindy Alvarez, Chapter 5	Assignment #6: Validation Plan

8	Low and high-fidelity prototyping	"Fast Innovation", Pau Garcia-Milà at TEDxESADE "20 ways to test your business ideas", Board of Innovation	Assignment #7: Interview Script and Briefings
9	Move on, pivot or quit?	"The First Mile", Scott D. Anthony, Chapter 7 "It's Time to Play Moneyball", Steve Blank "The Taxonomy of the Lean Startup Pivot", Grasshopper Herder	Assignment #8: How to find out if you have achieved Product-Market Fit?
10	Customer-based financing and Venture Builders	"Customer Funded Business", John Mullins, Chapters 1 to 3 "Bootstrapping: Weapon of Mass Reconstruction", Sramana Mitra	Assignment #9: Investment Readiness Index
11	Implementation	"The First Mile", Scott D. Anthony, Chapter 8 "The Introvert Entrepreneur", Beth L. Buelow, Chapter 3 "The quick and dirty guide for launching your startup", Launch Academy	Assignment #10: How can you fund your project?
12	Preparing your final presentation	"The First Mile", Scott D. Anthony, Chapter 9 "Presentation skills", Board of Innovation	Assignment #11: Implementation Plan

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Required background:

No prerequisites required.

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Grading:

Grades will be assessed in conformity with the ideation, screening and hypothesis validation work done by each team, the individual and group graded exercises, the Implementation Plan, the final presentation, as well as with the quality of individual class participation. **There will be no final exam.**

Group (50%)
Team's Business Model, Hypothesis Forms and Validation Plan: 15%
Team's Idea Validation Work and Prototype: 15%
Final Presentation: 20%

Individual (50%)
Individual graded exercises: 25%

Individual class participation and in class performance: 15%
Individual contribution to the team's work (peer evaluation): 10%

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Bibliography:

Main Textbook:
Scott D. Anthony, "The First Mile", Harvard Business Review Press
Alex Osterwalder and Yves Pigneur, "Business Model Generation", John Wiley & Sons

Additional reading:
Michael Schrage, "The Innovator's Hypothesis: How Cheap Experiments Are Worth More than Good Ideas", The MIT Press
Steve Blank, "The Four Steps to Epiphany", K&S Ranch
Cindy Alvarez, "Lean Customer Development", O'Reilly Media
Jonh Mullins, "Customer Funded Business", John Wiley & Sons
Sramana Mitra, "Bootstrapping: Weapon of Mass Reconstruction", BookSurge Publishing

Other readings and materials will be distributed along the course.
The Internet links mentioned in the class presentations and Steve Blank's blog (www.steveblank.com) are important additional resources.

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Miscellaneous information:

COURSE ACTIVITIES: THE BUSINESS PLAN DEVELOPMENT

Course participants will be required, after class nº4, to form teams of students whose talents, skills and knowledge are complementary.

Classes will be highly interactive and students are expected to bring their own contributions to class.

Extensive team work outside of class is an essential part of this course. Other factors which are extremely relevant to your team's functioning are the management and coordination of group effort by appropriate means (telephone, e-mail, Skype, meetings, etc.).

Each team will find business ideas, score ideas and select the best, design a Business Model, create hypothesis forms, execute experiments, including interviews with potential customers, create a prototype, prepare an Implementation Plan and deliver Final Project Presentation. Teams will also have to make periodical Lessons Learned presentations in class.

Important Note: If your business development plan has been the subject of class projects in other classes, it is your responsibility to inform the instructor, and to explain how the work performed for this class will be original.

Feedback will be provided after each exercise and presentation of the results of the weekly validation work.

Failing to submit the results of exercises and the validation work at due dates will negatively affect the final evaluation of the team's or the individual performance.

In order to pass this course, you must:
- achieve a composite mark of at least 10; and
- make a satisfactory attempt at all assessment tasks.

Lessons Learned Presentation:
Teams will make a formal and final presentation of the Lessons Learned during the course.

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Code of conduct and ethics:

Católica Lisbon School of Business and Economics is a community of individuals with diverse backgrounds and interests who share certain fundamental goals. A crucial element to achieve these goals is the creation and maintenance of an atmosphere contributing to learning and personal growth for everyone in the community. The success of CATÓLICA-LISBON in attaining its goals and in maintaining its reputation of academic excellence depends on the willingness of its members, both collectively and individually, to meet their responsibilities.

Along with all the other members of our community, students are expected to follow professional standards and CATÓLICA-LISBON standards of Academic Integrity. Some details should be mentioned here: Please arrive on time for class with uninterrupted attendance for the duration of the class. Signing attendance sheet for anyone else in the class constitutes fraud and a violation of the CLSBE code of conduct. Use of computers and other electronic devices during the class is not allowed, unless expressly requested by the instructor of the course. Students who persistently act in a disruptive and disrespectful manner during the class session may be invited to leave.

Students are expected to behave at all times according to the fundamental principles of academic integrity, including honesty, trust, fairness, respect, and responsibility. In particular,

a) In **individual graded assignments** of any type, students may not collaborate with others or use any materials without explicit permission from the instructor of the course;
b) In **group assignments and reports**, all students listed as authors shoud have performed a substantial amount of work for that assignment;
c) It is dishonest to fabricate or falsify data in experiments, surveys, papers, reports or other circumstances; fabricate source material in a bibliography or "works cited" list; or provide false information in other documents in connection with academic efforts;
d) **Plagiarizing**, i.e. "to steal and pass off the ideas or words of another as one's own and or to use another's production without crediting the source" (Merrian-Webster Dictionary) is an Academic Integrity breach. It can be avoided by using proper methods of documentation and acknowledgement. Visit this guide for additional resources on how to avoid plagiarism in your written submissions http://en.writecheck.com/plagiarism-guide
e) In **exams** students must not receive or provide any unauthorized assistance. During an examination, students may use only material and items authorized by the faculty. Use of smartwatches or other communication devices is not permitted during the exam.

Academic integrity breaches will be dealt with in accordance with the school's code of Academic Integrity: https://www.clsbe.lisboa.ucp.pt/system/files/assets/files/academicintegritycode.pdf

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