

**MSC 491.001 and MSC 890.037
International Entrepreneurship
Spring 2005**

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CLASS LOCATION: 115 Eppley
CLASS TIMES: Tu Th – 4:10-5:30 pm
OFFICE HOURS: By appointment

COURSE DESCRIPTION

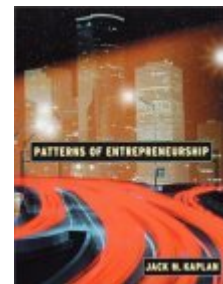
This course focuses on developing knowledge and skills in three key areas of international entrepreneurship: (1) initiating entrepreneurial ventures, (2) managing international business transactions, and (3) dealing with multicultural business environments.

The course provides a holistic approach to entrepreneurship. It focuses on opportunities to initiate new ventures, how to develop a business plan, and how to grow and manage a small business in the global marketplace. Sources of capital funding and financial issues are discussed along with international opportunities and obstacles.

COURSE MATERIAL

- Textbook
Book Title: Patterns of Entrepreneurship
Book Author: Jack M. Kaplan
Publisher: John Wiley & Sons, Inc.
Year: 2003
ISBN: 0-471-20382-3

- Additional Readings
On Angel (<http://angel.msu.edu/>) as they become available.



EVALUATION

Course evaluation is based on the following components:

<u>Course Element</u>	<u>Points</u>	<u>Points</u>	<u>Grade</u>
The International Business Plan	50	90-100	4.0
Business Plan Evaluations	15	85-89	3.5
Various Assignments	15	80-84	3.0
Quizzes	10	75-79	2.5
<u>Participation</u>	<u>10</u>	70-75	2.0
TOTAL	100	65-69	1.5
		60-64	1.0

THE INTERNATIONAL BUSINESS PLAN

As we will discuss in class early in the semester, a solid business plan is critical for the success of an entrepreneurial venture. A business plan is used both internally and externally to (1) set the goals and objectives of the venture; (2) outline how these goals will be met; (3) establish performance yardsticks to assess through the process whether the goals are being met; (4) to make the case for potential investors that this will be a profitable venture. While we won't be able to write a "*complete*" business plan within the confines of this class, we will do our best to *simulate* the experience through an iterative process. Each team (to be determined the first week of class) will develop a business concept for a new venture and conduct the initial research necessary to develop a feasible commercialization plan. The process will be done in five parts:

- 1) The Business Concept (7 pts - Due Feb 15) –an overview of the concept, including a description of the product/service being conceptualized, the target audience for the concept, the *unmet* need that this product/service will be addressing, and a *brief* overview of the industry, its size and characteristics, and an identification of major players in the field.
- 2) The International Environment (7 pts - Due Mar 1) – The venture will have to be internationalized along the supply chain: you can choose to outsource manufacturing/services/procurement to a non-North American country, or you can decide to market your product to a non-North American country. At this stage, identify the supply chain component you wish to internationalize, describing why that specific component makes sense to internationalize. Also conduct preliminary research using basic macro-environmental factors (economic, regulatory, trade, or cultural factors) to identify and evaluate 3 potential locations where the supply chain component can be located. Use these factors to justify the selection of one of these markets over the other two.
- 3) Country Report (7 pts - Due Mar 22) – For the market selected in the previous stage, write a detailed analysis of the country's business environment, in terms of its economy, trade policies, regulatory framework, taxation policies, intellectual property protection, and any other macro aspect that could have an impact on your operations there.
- 4) The Business Environment (7 pts - Due April 5) – a detailed analysis of the product/service market, including a profile of your customers and suppliers, a detailed analysis of the target market, and a more detailed competitive analysis.

- 5) The Operational Plan (7 pts - Due April 19) – Provide an overview of how you plan to legally structure the firm, your marketing and operations strategy, including an analysis of what an ideal management team would look like (since we don't have an actual management team to profile).
- 6) Final Submission (15 pts - Due May 5, 6:00pm) – A final business plan will be submitted, including modifications to previous sections based on the feedback received, an executive summary at the beginning, and a final section that includes a basic discussion of the financial aspects.

Please keep in mind that each section is to be read by potential investors. Therefore, they should be well written (no spelling, grammar mistakes), clearly articulated, and to-the-point. Remember that most investors are not familiar with your product/industry and therefore need a good overview to be able to assess the potential of your business concept, yet at the same time have very little attention span. While there are no specific page limits on each section, a typical business plan ranges anywhere from 20-40 pages, so a *very general* guideline would be to have each section around 5 pages.

BUSINESS PLAN EVALUATIONS

At each stage of the International Business Plan, each team's submission will be given to another team for the purpose of evaluating the plan. The evaluating team will take on the role of an "potential investor" and assess the commercial viability of the plan. The process will be double-blind, that is, neither team will know each other's identity. This exercise has several goals: (1) to help the teams develop their business plans by identifying strengths and weaknesses in the proposal and by providing significant *constructive* criticism; (2) to allow all teams to look at the process from an investor's viewpoint; (3) to facilitate the exchange of ideas and creativity amongst the teams throughout the process. The evaluating team will have a week to review the submitting team's plan and write a 1-2 page evaluation and suggestions document. This process will be done once at each stage of the international business plan process outlined above.

VARIOUS ASSIGNMENTS

A small number (3 or 4) of additional exercises will be assigned throughout the semester. These might include a web-based exercise, a one-page write-up for a case study that will be discussed in the class, or a short write-up providing your personal perspective on a topic that gets extensive class discussion.

QUIZZES

The readings assigned for covering the topics are an essential part of your learning in this class. Since there are no exams in this class, quizzes will be conducted sporadically to assess your level of preparedness for the individual lectures. These quizzes will be previously unannounced and extremely short in nature. They will be made up of one or two short-answer questions to assess your familiarity with the topics assigned for that day. Your lowest two quiz scores will be dropped before the rest are averaged to make up your overall quiz score.

PARTICIPATION

Due to the collaborative nature of this class, class participation is an essential component of the learning process and therefore plays a significant role in the determination of your overall grade. Your participation grade will be based on two factors:

- (1) Your net value-added contributions in achieving the common goals of the whole class. The net value-added concept incorporates both the quality and the quantity of your contributions.

Clearly, the goal should be a balanced quantity of consistently high quality contributions. A high quality participation may consist of contributing thoughtful and novel insights, sharing personal experiences, suggesting examples from current events, providing constructive critiques, and/or moving the discussion forward by building on the comments of others. A balanced quantity means that you should try to contribute frequently enough so that your position or perspective on the issues are clear to the class, yet you are not dominating the conversation excessively.

(2) Your overall contributions to your team's success in developing the business plan and in evaluating other teams' plans. My expectations are that This will be measured by a peer evaluation form to be filled out by your teammates at the end of the semester.

COURSE OUTLINE

Below is a general outline of the various topics we will cover through this course:

1. Being an Entrepreneur (Ch 1)
 - a. Role Entrepreneurs Play in the Economy
 - b. Who Makes a Good Entrepreneur?
2. Developing Ideas and Business Opportunities (Ch 2)
 - a. Creativity
 - b. Identifying niche products/services
 - c. Assessing Commercial Feasibility
 - d. Global Expandability
3. Preparing the Business Plan (Ch 4)
4. The Business Environment for Entrepreneurs
 - a. The International Entrepreneurial Environment
5. Analyzing Markets, Customers, and Competition (Ch 3)
 - a. What's Different about International Markets?
 - b. Culture and its Consequences
 - c. Selecting Foreign Markets
6. Setting up the Company (Ch 5)
7. Sources of Financing (Ch 6, 7)
8. Intellectual Property Issues (Ch 8)
9. HR Strategies and Issues (Ch 9)
 - a. Building a good management team
10. Marketing Strategies and Issues
11. Growth Strategies
 - a. Determining growth speed
 - b. Mergers, acquisitions
 - c. International expansion or being a born global?
12. International Modes of Entry
 - a. Focus on Exporting/Importing
13. Partnership Strategies
14. Using the Internet (Ch 10)
 - a. International E-Commerce
15. Franchising (Ch 12)
 - a. Opportunities and Challenges
16. Social Entrepreneurship
17. Exit Strategies (Ch 14)
18. Ethical and Social Responsibilities of Entrepreneurs