

ENTREPRENEURSHIP & INNOVATION

IE University

Professor: **Jose Lejarraga**

E-mail: jlejarraga@faculty.ie.edu

Degree course: SECOND

Semester: 1º

Category: COMPULSORY

Number of credits: 5.0

Language: English

PREREQUISITES

SUBJECT DESCRIPTION

This course provides students with the key foundations of the entrepreneurial process from a macro and micro perspective. The course will be based on three main pillars: 1) creativity, 2) logical reasoning and 3) problem sensitivity. These three skills are at the core of any entrepreneur's thinking that takes place amidst the contextual reality of today's extreme uncertainty. These skills will also be particularly relevant for future employment and businesses, as organizations increasingly need to be agile and take an experimental approach to build valuable innovations and business models that positively affect society and meet the needs of the market.

SESSIONS AND PLACEMENT

This course contains 25 sessions encompassing 3 modules. The topics covered by the modules are as follows:

- Module 1: Entrepreneurial Mindset (perspective taking; why entrepreneurs become entrepreneurs; problem-solving approach to entrepreneurship).
- Module 2: Opportunity Recognition and Identification (types of opportunities; understanding business models; identifying customers).
- Module 3: Opportunity Development and Execution (team formation; financing a new venture; growing a new venture; corporate entrepreneurship).

70% of the sessions will be synchronous and 30% will be asynchronous (see the description of each session below). The placement of the course in the first block of the second year of the program ensures that the students have received a basic understanding of business prior to this course and have exposure to teamwork-based exercises.

OBJECTIVES AND SKILLS

Learning Objectives

Objective: 1: Understand the entrepreneurial process, its impact, and significance within the macro and micro context of individuals, economies and societies.

Objective 2: Understand and apply the entrepreneurial mindset to discover business ideas and assess their viability.

Objective 3: Analyze the key components of the entrepreneurial process, namely; opportunity discovery, business modelling, procurement resources and team formation.

Objective 4: Apply your analysis of the entrepreneurial process to an idea you identify as a group early in the course.

METHODOLOGY

The synchronous sessions will be mostly based on an experiential, “hands-on” approach that deploys problem solving using short cases and practical exercises. This approach demands students’ active participation and reflection, both individually and in teams. In the asynchronous sessions, students will engage in the discussion of pre-assigned readings covering core concepts that students are expected to read at home, as well as exercises with defined deliverables. Some of these discussions will take place in virtual forums moderated by the professor, while others may involve students’ recording and sharing videos, virtual collaboration boards, online chats, and more.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	24.0 %	30 hours
Discussions	16.0 %	20 hours
Exercises	16.0 %	20 hours
Group work	32.0 %	40 hours
Other individual studying	12.0 %	15 hours
TOTAL	100.0 %	125 hours

EVALUATION CRITERIA

CLASS PARTICIPATION (20%)

Students must be prepared to participate and contribute to the discussion of case studies, readings, or spontaneous debates that arise during the class. For readings and cases, the professor may assign a number of questions for preparation. During the class, students may be called randomly to respond to pre-assigned or different (but related) questions. Naturally, more important than the quantity of remarks is their quality. High-quality remarks are insightful and move the discussion forward. Such remarks will receive the highest points for class participation. It will not be possible to make up class participation if you miss a session.

GROUP PROJECT (1): Interviewing and assessing an entrepreneur (10%)

This is a group grade. Groups will be formed in the first weeks of the course. The objective of this project is to explore the entrepreneurial process through the experiences and view-points of real entrepreneurs. Madrid offers an environment favorable to new venture creation and attracts numerous entrepreneurs, which can be readily available to share opinions. This will provide an opportunity to get in touch with an entrepreneur (or entrepreneurial team) in an industry you are interested in. This project implies preparing a presentation.

- The group will interview and assess an entrepreneur or founder of a recently created small business (the business should be no older than 5 years). Such interaction will provide the student with insights which cannot be obtained in the classroom. The professor will give out a semi-structured interview guide with basic questions.
- The group will be responsible for contacting an active entrepreneur and scheduling an appointment for a personal interview. I suggest sending an introductory email and then following up with a phone call. You should schedule the interview early in the term. Extensions will not be granted due to last minute changes that could have been prevented with better planning, so schedule the interview early!!
- Aspects that should necessarily be included in the presentation are: Background: How did you identify the entrepreneur? What is his/her background (education, industry experience, etc.)? Opportunity identification: How did the entrepreneur identify the business opportunity? Entrepreneurial process: Assess the process the entrepreneur followed to develop the business. Note the critical successes and failures that the entrepreneur experienced. Did the entrepreneur take substantial risks? What could the entrepreneur have done differently? Measuring success: Is the venture (or previous venture) successful? By what criteria? Has the entrepreneur given up anything by choosing his/her career path? Group assessment: Would you invest in this venture? Would you work for this entrepreneur? Based on what you have learned from this person, do you believe you could be a successful entrepreneur? Explain why or why not.

Last Slide: The most surprising quote & the most important lesson learnt

GROUP PROJECT (2): (30%)

Preparation of business feasibility report (10%). The group will prepare a Power Point pitch deck. This is essentially a formalized business opportunity report on a new business idea focusing on its feasibility (it is not a business plan). The report will cover the key areas of the business opportunity recognition. Given the preliminary nature of this report, the focus should be less on numerical details and more on building a coherent picture of the business you would like to pursue, emphasizing why this business makes sense, why it is likely to be successful, and why it is needed. The quality of the report would depend on the clarity and logic of your exposition as well as on how well thought out and integrated the different elements of the plan are. Think of this as essentially an early-stage pitch aimed at getting the attention of potential investors – after reading the deck, will the investor be interested in exploring your business plan in more detail?

An important part of the group project entails an oral presentation (15%). Presenting and defending your business opportunity is a key capability that is called for at various stages of the new venture development process. Your pre-assigned group will make a presentation of your business opportunity and will address questions posed by both your classmates and the professor.

To avoid (or at least minimize) free-riding within groups, there will be an intra-group evaluation (5%), by which group members will evaluate each other according to the amount of effort exerted in the project.

QUIZZES (10%)

Throughout the course, there will be pop quizzes to test your understanding of the required course readings. These quizzes will take place during synchronous sessions (either F2F or virtual). If you miss a quiz, it will not be possible to make it up at a later date.

CASE ANALYSIS EXAM (30%)

The exam entails the in-depth analysis of a short case-study.

Important: Note that there is a minimum grade of 4.0 required in the case analysis exam to pass the course.

Criteria	Percentage	Comments
Class Participation	20 %	Active participation is expected. Details will be provided in class.
Group Presentation	10 %	Project 1
Group Presentation	30 %	Project 2
Intermediate Tests	10 %	Quizzes
Examen Final	30 %	Important: students need a minimum of 4 in the exam to pass the course

PROFESSOR BIO

Professor: Jose Lejarraga

E-mail: jlejarraga@faculty.ie.edu

PhD and MS in Business Economics and Quantitative Methods from Universidad Carlos III de Madrid, MA in Applied Economic Analysis from Universitat Pompeu Fabra, and BA in Economics from Washington College, (MD, USA). After completing my PhD I received a post-doctoral fellowship to continue my research at Universitat Pompeu Fabra. My research deals with behavioral decision making and its relation to general management and entrepreneurial processes. I regularly attend international conferences such as AoM, SMS Conference, DRUID, SPUDM and EURAM. Some of my research has been published in the Proceedings of the Academy of Management, Journal of Product Innovation Management, Journal of Small Business Economics, Memory and Cognition, and European Management Review, among others. Before joining academia, I worked at major manufacturing company in Maryland (USA) related to the petroleum industry as an export analyst for Latin America. During my college years I worked as a tennis professor at the Nike Tennis Camps and at the U.S. NAVY Academy in Annapolis, Maryland. I was 3-time All-American in college tennis for singles and doubles (NCAA).