The unit introduces students to the nature and characteristics of entrepreneurship and innovation and explores the inter-relationship between the two within contemporary economies from a managerial perspective. The nature of enterprise behaviour and the characteristics of entrepreneurs in both large and small organisations are examined, as are the policy issues associated with encouraging enterprise and innovation within large organisations and the wider community. Students examine their own propensity for enterprise and creativity, while exploring the nature and process of innovation. They are provided with an understanding of how technology and innovation are distinct but related constructs, as well as the psychological, social and cultural forces influencing new venture creation. The fundamentals of opportunity recognition and screening of new venture ideas are examined from both a macro and micro perspective.
Contact details

<table>
<thead>
<tr>
<th>Unit Web Site URL</th>
<th>Dr William Ardrey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturer’s Email:</td>
<td><a href="mailto:wardrey@customvis.com">wardrey@customvis.com</a></td>
</tr>
<tr>
<td></td>
<td><a href="mailto:wardrey@ecec.uwa.edu.au">wardrey@ecec.uwa.edu.au</a></td>
</tr>
<tr>
<td>Phone:</td>
<td>+ 6189 386 9679 (Perth)</td>
</tr>
<tr>
<td></td>
<td>+ 212 865 9365 (New York)</td>
</tr>
</tbody>
</table>

Consultation Hours:

Room: Per PSB
Lecture Times: See timetable (www.gsm.uwa.edu.au)
Lecture Venue: Per PSB

Your lecturer

Dr. William J. Ardrey (BSc Georgetown, MA Columbia, PhD UWA) recently joined the GSM as a senior lecturer, after visiting at the school since 1997 in the areas of marketing, strategy and entrepreneurship. Over the past two years, Dr. Ardrey has won the 40-under-40 awards in Perth (both academic and in technology), has twice been nominated for the BHERT Entrepreneurial Educator of the Year award in Australia, and has visited in the Strategy and Entrepreneurship areas at Columbia Business School, George Washington University, University of Adelaide as well as University of Western Australia. In Singapore, Dr. Ardrey’s reputation as an innovative educator won him an appointment to the board of the Singapore Technologies incubation program. Dr Ardrey has authored numerous monographs on strategy and entrepreneurship in developing countries for the United Nations and World Bank, and contributed book chapters to both editions of popular Marketing and Consumer Behaviour in East and Southeast Asia, concurrent to publishing in a range of journals including Marketing Management, Accountability & Performance, International Journal of Bank Marketing, Contemporary Southeast Asia, and Journal of Cataract and Refractive Surgery.

Dr. Ardrey brings a wealth of board-level and senior executive experience gained in the technology, financial services and media industries. In 2002-2003, Dr. Ardrey successfully co-lead the Perth biotechnology company Customvis from start-up to IPO in London at a valuation in excess of AU$75 million, following three successful rounds of private equity funding and concurrent wins of the national Biotechnology Innovation Fund/COMET/R&D START awards, just prior to joining the GSM. William also brings Board level strategy expertise, starting and accelerating growth at such firms as: (1) Fiduciary Communications (William co-lead this company as President from start-up in 1987 to a trade sale in 1997, at AU$50 million, creating a Wall Street investor communications firm, counting among its customers Carl Icahn, the US corporate raider and the Orange County California major government default and workout), (2) Thomson Financial Services a $2 billion public company where William served as a President in 1998 after selling his Fiduciary group to Thomson in a well publicised 1997 transaction), (3) Quest Media Group, a digital television production company creating sports programming for Fox, CNBC, Channel 10, and overseas Asian cable TV broadcasters and broadband providers where William served as CEO and negotiated a sale of the business to a Singapore media company (4) NewMedia Technology (the digital asset management provider to the US National Basketball Association and Major League Baseball organisations, where William served as CFO, and Senior Vice President of Marketing), and (5) Laserex Medical Laser Systems USA (where, a Strategist, William advised on the AU$9 million acquisition by the Australian Ellex Medical Laser Systems). Dr Ardrey has created — and helped investors to harvest significant and measurable value — at startup and multinational corporations— over a 15 year professional career.
Introduction
Entrepreneurship has become recognised as a primary driving force for promoting economic progress, development and diffusion of technology, employment creation, development of niche markets, and dynamic management initiatives. Entrepreneurs detect and pursue opportunities to turn ideas into products and services offered in the marketplace wherever the limits of human ingenuity can be extended through innovation. In this course, students will be exposed to the process of innovation and creating an entrepreneurial organisation; planning, implementing and controlling the new venture creation effort; building credibility in the entrepreneurial organisation, financing challenges, partnership opportunities faced by entrepreneurs; and strategies for the management and protection of the creative efforts of the entrepreneur. Concepts learned in the course can be applied to the creation of new businesses, “intrapreneurial ventures” within an existing organisation, and to family businesses currently operating and seeking new opportunities in increasingly competitive Asian and international markets, especially in Australia, Singapore and Indonesia.

Can entrepreneurship actually be taught? Leadership, creativity, the drive for excellence and the ability to motivate employees to create world changing technologies and encourage market adoption of these innovations are difficult concepts to “teach” in a classroom setting. However, the various learning modes, readings and case studies offered in the course can illustrate strategies and tactics which have succeeded, and failed in the marketplace and encourage students to assess their own prospects for starting or expanding an entrepreneurial venture. Some entrepreneurs succeed due to innate innovativeness, others because of training, education and an acquired or practiced ability to assess risks and plan profitable business strategies, and others due to sheer determination. New venture creation is a risky undertaking, and small businesses fail more often than they succeed. Students will learn the tools to make profitable decisions in an entrepreneurial setting, and be encouraged to think and act entrepreneurially.

This course will benefit potential entrepreneurs, and employees who are considering entrepreneurial ventures within their existing companies. Government officials who regulate the private sector, seek to encourage private business and stimulate new business creation will also profit from the course, as will financial professionals (including bankers, lawyers, accountants & advisers) who work with small and medium sized enterprises. Managers who wish to inject some “dynamism” into their existing teams may also benefit from the concepts and strategies offered in the course.

The goal of the unit
This course is integrative, and builds on the basic themes from prior accounting, management, marketing and financial classes already undertaken, as well as previous professional experience. The focus is on applying these concepts to start and grow entrepreneurial ventures, to help make profitable decisions, and to compete effectively in the marketplace. Course objectives include:

1) The background and nature of entrepreneurship, and illustrations of the drive to offer significantly better products in the marketplace. Students will be encouraged to think and act in an entrepreneurial fashion, create a “board of directors” for a new entrepreneurial venture to develop a comprehensive business plan, and to identify and reduce risks in the new venture creation process;
2) Strategies and tactics (based on theory and successful and unsuccessful practical examples) for new venture creation, including acquisition, franchising and alliances. Exit strategies to protect the wealth of the entrepreneur will also be discussed;
3) The process of introducing, exploiting and protecting technological innovation and intellectual property in the marketplace;
4) Assess the economic benefits of a dynamic private sector, and recognise the potential contributions and challenges to entrepreneurs offered by government policies.

The course seeks to challenge students to build on their business education and experience to clarify their own entrepreneurial tendencies and focus their skills on identifying, assessing and planning the profitable exploitation of opportunities.
Broad learning outcomes

Entrepreneurship is more than merely writing a business plan. The course seeks to encourage creativity and the integration of course readings, cases, examples and the collective experience of students, with the Lecturer encouraging and stimulating class discussions. However, a solid structure of concepts and practical issues affecting entrepreneurs must be built through readings and assignments at the outset of the course, applied during the course, and focused on solving entrepreneurial problems for the final examination. Learning modes include:

1) *Readings and class discussions.* Entrepreneurial decisions involve a series of trade-offs—between the need for financing from outside investors, and the desire for full control by the entrepreneur; between the desire to develop proprietary processes and technologies, and the need or opportunities for strategic alliances; between the desire to focus on the new and the creative, and the need to develop an evolutionary strategy to add value and protect the position in the marketplace. Because so many entrepreneurs risk so much to create their companies, many valuable lessons can be learned from the readings and case studies to build a solid foundation in the entrepreneurship discipline. Students will read, apply, criticise and discuss articles from academic journals such as *Entrepreneurship Theory & Practice, Journal of Business Venturing, Harvard Business Review,* the Course Reader, and the text.

2) *Group Team Skill Building in Tutorials, Lectures & Discussions:* Business plan writing, financial analysis tools for start up ventures, and “intrapreneurship” opportunities have been well documented in the academic and applied business press. Students will form groups to share business planning skills, work to facilitate the functioning of student groups, and also make and assist the presentations, discussions and teamwork of the class.

3) *Group Evaluation of Cases:* Students will form a “Board of Directors” during the first classes to collectively consider cases, and to produce a comprehensive business plan for their own Entrepreneurial Concept. The Lecturer will present a series of lectures on key topics relating to entrepreneurship, share experiences, and also require enthusiastic class discussion of what it takes to succeed as an entrepreneur. The Lecturer will also present a series of cases and example of entrepreneurs in action, with an opportunity for groups to discuss and assess the cases and offer insight during lectures and discussions.

The course focuses more on the *conceptualising, planning and starting* of a business, and is not concerned with ongoing management challenges for small businesses.

**Prerequisites**

The prerequisites for this unit are:

Completion of Stage 1

Also, it is critical to read the following cases BEFORE attending the course, namely: Ice Delights; Steve Belkin; Alan Lane; Heather Evans. These cases are in the text.

**Textbook(s)**

The materials required for the course include the text and the course reader. The text for the course is Stevenson, H., M. Roberts & H. Grousbeck (2000) *New Business Ventures & The Entrepreneur,* Homewood IL: Irwin. A Course Reader will also be provided by the GSM.
Seminar topics

The Lecturer will cover 12 Topics during the Course, as follows:

Session 1:

Case: Karena (CR)
- Course Introduction & Organisation, New Ideas & Entrepreneurship Concepts
- Entrepreneurship, Leadership, Innovation, Creativity & Excellence
- Entrepreneurial Dynamism in Large Organisations: Intrapreneurs
- Form “Board of Directors” to handle Group Assignments & Cases

Readings: Chapter 1
Assignment: Form into Groups; Discuss ERG Case.

Session 2:

Case: Peter Fogarty & ERG (CR)
- Risk & Opportunity; Building Credibility in the New Venture
- Life Cycle Stages: Steps & Ladders for Growth
- Class Discussion of Entrepreneurial Ideas, and Karena & ERG Cases.

Readings: Course Reader

Session 3:

Case: Ice Delights (Text)
- Identification of Opportunities and the Start Up Process
- Strategies & Tactics: Analysing Strategies
- Control, Partnerships & Alliances
- Family Business, Networks, and Alliances

Readings: Text, Chapter 2
Assignment: Discuss case.

Session 4:

Case: Fiduciary Communications Group, QMG, and Practical Examples of the Lecturer
- Financing Decisions
- Venture Capital, Start Up Capital and Doing It Yourself
- The “Missing Middle” in Finance & Entrepreneurship

Readings: Text, Chapter 3
Session 5:

Case: Steven Belkin  
- Business Planning  
- Feasibility & Assessment  
- Classroom Discussion of Cases  
- Questions & Interaction

Reading: Text, Chapter 5.  
Assignment: Prepare to Discuss Recognition of Entrepreneurial Opportunities:

- The Business Plan (Developed from Session 5 Lecture)  
- Planning vs Flexibility  
- Scheduling of Presentations for Groups & Individuals  
- Team Organisation

Session 6:

Asian Entrepreneurship: Acquiring a Business in China, Singapore or Indonesia

- Entrepreneurship in Asian Markets  
- Franchising  
- Filmed entertainment case study

Readings: Chapter 6

Session 7:

Case: Onset Ventures (Venture Capitalists)

- Discuss Group Presentations:  
- Team Organisation, Progress Reports & Planning  
- Franchising & Venture Capital

Readings: Chapter 7 and 8; Groups prepare Onset recommendations and recommendations for upcoming cases

Session 8:

Intensive Cases Discussion: Allen Lane

- Buying a Business  
- Financial Backing for Expansion

Assignment: Groups Bring to class a recommendations for Allen Lane to guide his bidding.
Session 9:
- Strategic Alliances
- Protection of Intellectual Property
- Evolution of Strategy & Adding Value
- Intellectual Property

Session 10:
Case: Heather Evans
- Technological Innovation in Entrepreneurship
- Intrapreneurs in Large Organisations

Session 11:
Case: Grand Junction
- Managing Growth
- Managing Failure, Bankruptcy
- Profitable Exit Strategies & Encores


Session 12:
- Entrepreneurship & Economic Development
- Government Support: Help or Hindrance
- Export and Technology Promotion Schemes

Also: Review Handout on final examination

Group Oral Presentations will be schedules for final tutorials.

Please note: The Lecturer may provide additional handouts to clarify the assignments during the course of the semester, and provide opportunity for student questions regarding all assignments.
Attendance

Participation in class, whether it be listening to a lecture or getting involved in other activities, is an important part of the learning process. For this reason the GSM has decided not to move to on-line teaching. It is, therefore, important that you attend classes (and be on time).

More formally, the University regulations state that ‘to complete a course or unit a students shall attend prescribed classes, lectures, seminar and tutorials’. Students whose attendance at MBA units has been unsatisfactory will not be granted a pass grade. Two or more missed classes without prior permission from the lecturer is classified as unsatisfactory. Students should not expect to obtain approval to miss more than two classes per unit, unless there are exceptional circumstances.

Assessment

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Assessment 1</td>
<td>20%</td>
<td>Beginning of Block II</td>
</tr>
<tr>
<td>Individual Assessment 2 –</td>
<td>40%</td>
<td>Due by Final Exam Time and</td>
</tr>
<tr>
<td>Take home exam</td>
<td></td>
<td>Date per PSB</td>
</tr>
<tr>
<td>Group Assessment</td>
<td>40%</td>
<td>Due by Final Exam Time and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date per PSB</td>
</tr>
</tbody>
</table>

Assessment consists of Group Case Assignments and Individual Assignments. Analysis, in terms of the course concepts, is preferred over simple description. Detailed breakdown of assignments is as follows:

Individual Assessment: 60% of Total Grade

Individual Assignment #1 (Written; 20% of Total Grade): “Is Entrepreneurship for Me?” This assignment should 1) discuss the meaning of entrepreneurship (in terms of the readings, and to you individually); 2) discuss whether you feel that you personally have an interest in becoming an entrepreneur (While it is not a requirement for the course to “be an entrepreneur,” a candid self assessment of entrepreneurship tendencies, or potential for contributions to creating new ventures in terms of strengths, weaknesses, career objectives, and personal perceptions of risk is requested. There is no penalty for concluding that entrepreneurship is not your future career path, but a clear discussion of why entrepreneurship is not for you is requested); 3) discuss some entrepreneurs whom you respect and why; and, 4) discuss how you would go about becoming an entrepreneur, even hypothetically (including criteria for searching for and assessing opportunity). You may choose to attach and share private thoughts, or a record of ideas and insights which occur to you during the class, about entrepreneurial goals or reservations about a career in entrepreneurship. You are also encouraged to include concepts from the readings.

Weighting: 20% Grading: Lecturer Due: Class 1, Second Block Teaching

Individual Assignment #2 (Final Examination, Take-Home Written: 2.5 Hours; 40% of Total Grade): This course includes a final examination on the key themes of the course. The exam will include 4 short answer questions on the course readings, one short case study, and a reflection based on the “Is Entrepreneurship for Me/Individual Assignment #1” handed in earlier in the course. Further details on the final examination will be distributed after the fifth topic has been covered in the Lectures.

Weighing: 40% Grading: Lecturer Due: Final Exam Date
Group Assessment: 40% of Total Grade:

Group Assignment #1: (Oral participation and written: 5%) Groups will prepare short 1 page recommendations for the Steven Belkin, Heather Evans, Allen Lane, Grand Junction and Onset Ventures cases. Analyses must be undertaken and handed in for Allen Lane, Grand Junction and Onset cases.

Group Assignment #2: (Oral & Written; 35%): Identifying and developing an Entrepreneurial Concept. “First, Form a Board of Directors for your Group and Prepare a Business Plan for a New Venture.” You may explore the feasibility of a new concept or idea, or methodically plan a new venture. Ability to write and present a high quality business plan and feasibility study makes a strong contribution to the success of an entrepreneurial venture. Students have the opportunity to select a new venture idea to start a new business, decided on by the Group. Written reports average 6,000 words, and additional appendices may be attached. It is important to assure equitable sharing of tasks among Group members, such as conceptualisation, compiling meaningful data on the market, projection of sales and costs, operational challenges, cash flow and financial assessments, and strategic directions for the firm. Students should develop contacts with key “informants” within their target industry and maintain communication to remain aware of trends in their chosen marketplace. It is also important to apply the tools learned in the course to this undertaking. Please hand in one copy of the written report, and prepare to make an oral presentation of your findings during the final sessions, and respond to questions from the Lecturer and your classmates. Consult the Course Reader and subsequent handouts for additional guidelines, especially the Timmons (1994) Screening New Ventures handout. The Names of Group Members must be submitted by the Second Class Meeting. Your tutor will assess your oral presentation, and your written assignment will be assessed by the Lecturer.

Please Note: Assessment of all Assignments will be based on:

- Identification of Key Problem/Opportunity and Applications of Readings and Concepts:
- Theme, Structure & Creativity of the Assignment:
- Approach to Search & Location of Opportunity (including the industry and its dynamics):
- Conceptual Frameworks, Business Concepts (clearly presented and applied):
- Production, Marketing & Financing Considerations:
- Analysis of Options, based on applied and theoretical concepts:
- Recommendations & Risk Reduction & Credibility Maximisation Tactics:
- Presentation, Style and Significance of the Entrepreneurial Analysis

The above assessment guideline is merely an outline for assessment. Also, some scaling of marks may occur to meet GSM examination guidelines.
The standard of assessment

The Graduate School must ensure that the processes of assessment are fair and are designed to maintain the standards of the School and its students. The School follows the University of Western Australia’s grading system:

- **HD** (Higher Distinction) 80-100%
- **D** (Distinction) 70-79%
- **CR** (Credit Pass) 60-69%
- **P** (Pass) 50-59%
- **N+** (Fail) 45-49%
- **N** (Fail) 0-44%

The School awards marks leading to these grades by using the following general criteria which are presented here as an indication of the School’s expectations. These general criteria may be supplemented by specific standards provided with regard to a particular assignment.

**HD** The student has a clear understanding of theory, concepts and issues relating to the subject and is able to adopt a critical perspective. The student is able to clearly identify the most critical aspects of the task and is able to offer a logically consistent and well articulated analysis within the analytic framework presented in the course. The student is able to draw widely from the academic literature and elsewhere but maintains relevance.

**D** The student has a clear understanding of theory, concepts and issues relating to the subject. The student is able to develop an analysis of an issue using the analytic framework presented in the course and is able to identify and evaluate the critical issues. The student is able to draw upon relevant academic and other material.

**CR** The student demonstrates an understanding of the analytic framework developed in the course and a partial understanding of concepts and issues. The student is able to identify some key issues and is able to present a logical discussion, but with some conceptual errors or gaps between analysis and conclusions. The student is able to draw upon an adequate range of references and other materials.

**P** The student generally takes a descriptive rather than analytic approach to the subject. The student is able to demonstrate some understanding of the issues involved but does demonstrate the ability to apply the analytical framework which had been developed in the course. Draws primarily upon course materials for referencing.

**N+** The student is unable to demonstrate that he or she understands the core elements of the subject matter. The student is able to provide some insight into issues but misapplies analytic framework developed in course, omitting key factors and, for example, drawing conclusions which are not related to the preceding discussion.

**N** The student is unable to demonstrate any understanding of the subject matter. Material presented for assessment is unrelated to course framework and shows no effort to identify or address critical aspects of the topic.

The scaling of marks to ensure comparability between classes in an acceptable academic practice. The GSM and Board of Examiners has the right to scale marks where it is considered necessary to maintain consistency and fairness.
Submission of assignments

Late assignments will attract a penalty of 5% per day. This penalty will be waived by the lecturer only in exceptional circumstances. No marks will be awarded to assignments submitted after other students in the class have had their assignments returned.

Assignments will be returned in class.

It is the intention that the marked assignments will be returned within two weeks of submission.

Grading Policy

It is required that the cases be read and prepared prior to each class meeting. Students should be able to summarise the facts of each case, and be prepared to identify the key issues in each case. Class participation and an energetic exchange of ideas are both required for this course.

Note: Assignments will be graded in accordance with grading policies in effect at The Graduate School of Management, in common with other schools in the Faculties of The University. Further details can be obtained from the General Office for the MBA program.

The scaling of marks to ensure comparability between classes is an acceptable academic practice. The GSM and Board of Examiners have the right to scale marks where it is considered that scaling is warranted.

Appeals against assessment marks

In the first instance, students are strongly advised to talk informally to the lecturer about the grade awarded.

The University provides the opportunity for students to lodge an appeal against any mark which he or she feels is unfair. Any student making an appeal is under an obligation to establish a prima facie case by providing particular and substantial reasons for the appeal.

There is a 10 day time limit for making any such appeal. An appeal against academic assessment may result, as appropriate, in an increase or decrease in the mark originally awarded. The University regulations relating to appeals and the form on which the appeal should be lodged can be found in the GSM website.

Acknowledgements and plagiarism

In the course of your individual and group work assignments, you will encounter ideas from many sources. These will include journal and newspaper articles, commentaries, books, web sites and other electronic sources, original case sources, lecture materials. All MBA assignments that you submit must acknowledge all the different sources you have used.

Not to acknowledge your sources is plagiarism, a form of dishonesty. Plagiarism is the misappropriation of the work or ideas of others and presenting them as your own. This is reprehensible from both an ethical and legal viewpoint. Neither the School nor the University accepts ignorance or the fact that a student’s previous acts of plagiarism had been undetected as a defence.
In order to avoid engaging in plagiarism it is your responsibility to acknowledge all of your sources in any work submitted for assessment and it is essential that you reference the work of others correctly. Where you quote directly from a source, you must ensure that any direct quotations are placed in quotation marks and are fully referenced. Even when you do not quote directly and are just referring to or expanding on the work of others, you must still acknowledge the sources of your information and ideas. Close paraphrasing in which you change a few phrases around, leave a clause out of a long sentence or put the original sentences in a different order is still plagiarism.

Advice on proper referencing is given below. If you have any doubts concerning appropriate referencing formats or how to acknowledge the work of others correctly, you should seek the advise of your lecturer.

It is GSM policy that no student will profit from plagiarism. Generally, a mark of ‘Fail’ will be recorded for the assignment in which this has occurred, regardless of its other merits or qualities. Serious cases shall be referred to the University’s Board of Discipline. All students should note that cases of copying are automatically reported to the Sub-Dean and documentary evidence along with associated correspondence is placed on the student’s permanent record.

**Referencing**

It is important that the referencing of any sources used in your written work is done properly, if only to substantiate the points you are making in your assignment or project. The Harvard style is the preferred and there are some notes for guidance which have been prepared by the library staff: ‘Citing your sources Harvard Style’ [http://www.library.uwa.edu.au/guides/citingsources/harvard.html](http://www.library.uwa.edu.au/guides/citingsources/harvard.html)

Endnote is a really good system for building up a database of references. Not everyone will want to invest the time in using this system but you should consider it if you intend to build up resource materials or plan to undertake extensive research in a particular area. The library staff have also developed a tutoring package: ‘A quick Guide to Using EndNote’ which provides the basics for using EndNote with an essay [http://www.library.uwa.edu.au/guides/endnote/quick_endnote.pdf](http://www.library.uwa.edu.au/guides/endnote/quick_endnote.pdf)

This is linked to from the how to Use EndNote page [www.library.uwa.edu.au/guides/endnote/](http://www.library.uwa.edu.au/guides/endnote/) which provides more comprehensive information.