ENTREPRENEURSHIP LAB
15.399 -- MIT SLOAN SCHOOL OF MANAGEMENT
FALL 2012
http://entrepreneurship.mit.edu/ELAB/

THURSDAY 6:00 – 9:00 PM

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Office Hours: By Appt.

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E-Lab is a project-based action learning course, in which teams of students work on projects for start-up firms. The goals of E-Lab include:

- Gaining experience with fast-paced start-up companies;
- Providing an opportunity to apply academic knowledge in entrepreneurial situations, where firm characteristics assumed in most management courses don’t yet exist;
- Allowing you to learn quickly about, and contribute to, an industry, a technology, and a market with which you may be quite unfamiliar;
- Providing a low-risk environment for learning personal skills, and strengthening your ability to analyze technical feasibility (particularly if you are an MBA student) and new business opportunities (particularly if you are an engineering or science student);
- Teaching specific tools and skills needed in entrepreneurial ventures, including the ability to analyze customers, market selection and commercialization;
- Learning how to formulate and quantify a value proposition that matches a venture’s technical capabilities to market and customer needs;
- Providing exposure to start-up environments that will be useful in career decisions;
- Providing experience in managing a consulting project in the face of many unknowns, under extreme time pressure, and ultimately delivering real value to your client.
E-Lab Overview

E-Lab is a 12 unit course and involves a significant body of independent work in a fixed time period. Projects vary widely, but a typical project involves investigating potential markets for a new technology, defining and matching the technology to specific customer needs, evaluating the value proposition for target customers, or evaluating the competitive and strategic landscape. E-Lab is a hands-on course, so be prepared to spend a lot of time with customers and experts, by email, phone, and in-person.

The course includes both MIT Sloan students, non-Sloan graduate students, and students from Harvard (and beyond). Participating in a diverse team both contributes to the realism of the course and to project success. Each team will include a mix of students with business and non-business backgrounds (e.g., graduate students in science or engineering).

Senior Lecturer Dougherty and Professor Stern will lead all class sessions, facilitate presentations by external speakers, and are responsible for course grading.

Course Information

Course website:  http://entrepreneurship.mit.edu/ELAB/
Stellar website:  https://stellar.mit.edu/S/course/15/fa12/15.399/

E-Lab is a team-based action learning course that involves significant independent initiative. You should regularly check the course website for any updates or information, and we will use the Stellar site to post course readings (both required and supplemental), slide decks from presentations, syllabi, etc.

It is important that you attend each of the required class sessions. The TA will take attendance at each required class session, and class attendance and participation is a significant component of the grade. If you are unable to attend a class, send an email to the TA before that class with a brief note providing a reason for your absence.

Teams are able to leverage the resources of the Trust Center for MIT Entrepreneurship (formerly the E-Center) to productively move their project forward. While teams should always be polite and considerate of others’ time, Pat Fuligni at the Trust Center can be a valuable resource. Her contact info is pfuligni@mit.edu or (617) 253-8653. The Trust Center is located on the first floor of E40; every E-Lab participant should feel invited to hang out there and engage in the full range of Trust Center Activities (http://entrepreneurship.mit.edu/).
Course Grading

As an action learning course, the main learning from E-Lab takes place outside the classroom, and grading is meant to reflect your ability to work with your team in order to complete an informed and practical approach to the challenge facing your host company. Final grades for the course will be based on the following components:

- E-Lab Host Get-Together Presentation (5%)
- Preliminary Faculty Feedback Presentation (10%)
- Interim In-Class Project Presentation (10%)
- Final In-Class Presentation (50%)
- Class Participation and Attendance (10%)
- “Managing an E-Lab Project” Essay (10%)
- 360-Degree Team Evaluations (5% + “Wiggle Room” depending on 360 feedback)

Final presentation to host companies will take place after your final in-class project presentation. While the course faculty will follow-up with host companies to gain feedback on E-Lab and evaluate which projects were of most value to participants, host companies are not part of the grading process.

Pre-Course Assignment: Exploring Potential E-Lab Project Teams

We have recruited a great roster of candidate E-Lab host companies and helped those companies submit information to the course website (http://entrepreneurship.mit.edu/ELAB/). In identifying companies, we have attempted to choose companies that match student interests and the learning objectives of E-Lab. Each company is relatively small (fewer than 40 employees), has a “real” technology or prototype, and has been able to raise significant level of early-stage funding.

Each student must register on the course website in advance of the first class session. We encourage you to use the website before the first class, to look for teammates and identify companies that match your interests. As well, information about you will then be available to candidate host companies and other students. Informal early contacts are encouraged. While networking prior to class is actively encouraged, students should not formally commit to working with a particular firm prior to the first class and with the approval of the course faculty.

In forming teams, compatibility and capability are important, but diversity is critical. Seek out backgrounds and interests that complement your own. Teams operate as a whole; no individual has all the skills needed to succeed. We do not allow teams that are too uniform (e.g., all MIT Sloan, all HBS, all marketing experts); each team should include one engineer or scientist.

All E-Lab portfolio projects will be posted by August 28 and we expect all registered students to indicate their top three choices by 5 PM, Tuesday, September 4. By posting your preferences, students will be able to build networks and teams, and allow the faculty to assess demand for different projects. Students that have submitted their rankings prior to the deadline will be given preference over others in being able to work on teams associated with their choices.
The First Class: Project Selection and Team Formation

In addition to providing a course overview, a primary objective of the first class session is to finalize project selection and team formation. Each team should consist of at most four students, including at least one non-MBA student. In addition to the information posted on the website prior to class, and posters available during the first class sessions, students will be able to do a limited amount of information gathering and online research during the first class session – bring your laptop!

The faculty and TAs must approve your proposed team and project choice. We do our best to accommodate your interests, but sometimes it is impossible for everyone to get their first choice. You should evaluate several projects, and come to class prepared to be flexible. We anticipate that we will be able to finalize team assignments on the first evening.

The main objective of the second half of the first session is to finalize your E-Lab team and send an introductory email to your host company. Based on the preferences you submit prior to class, preliminary teams will be assigned during Class 1, after which students can engage in a 30-minute shopping/team formation period. Faculty and the TA will help students finalize the formation of teams and the process of matching teams and companies.

Once the teams are formed, each team will meet for approximately 45 minutes to begin exploring their E-Lab project.

Each student should be part of a team and each team should be assigned a host company and project by the end of the first class, Thursday, September 6th. Before the end of class, each team will send an email to their E-Lab host company introducing themselves, their preliminary understanding of the project, and making a request to meet with their host company.

The Class Schedule
Teams will spend the semester working on their E-Lab project, with frequent, regular company contact. Classes are scheduled weekly from 6:00 – 9:00 PM on Thursday evening. Several sessions have been set aside as informal working sessions, and will include time for meeting with your team and faculty coaches (these meetings can and should also be arranged outside of class time over the course of the semester). Four sessions have been set for project presentations (at various stages of the process). The remainder of the class sessions are focused on key materials and bringing in practitioners important to the success of typical E-Lab projects. Given the diversity in project objectives however, not every class session may be directly relevant to your specific project. Each session has been designed to cover tools and concepts that every entrepreneur should understand, and students should be able to apply these tools and concepts to their host companies.

While the precise rhythm will vary, many sessions will involve an 80-minute lecture, a short break (but no catered group dinner, as in earlier versions of E-lab), a group exercise and feedback 90-minute lecture, a short break, and a group exercise and review session. For most evenings, Jim and Scott will then host a more informal discussion at the Muddy Charles.
Working with Your Host Company

The first and most important task following the formation of E-Lab teams is having an overview meeting with your host company. Firms have been told to expect to meet you during the week after the first class. The aim of this meeting is to specify project objectives, agree to an overall project plan and the establishment of major milestones, and define how you will measure success. **By the second class, you must turn in a copy of your project plan, signed by the host company CEO (or sponsor) and by all E-Lab team members.**

We have found that teams that spend the time upfront learning as much as possible about their host company and their strategy, prior to beginning the project, have better outcomes. To advance this idea, we have set a class session, Thursday, September 27, where your team will invite a top member of the host company (CEO or founder if possible) to come in and co-present an overview of the company. The presentation should include some history, current status and future strategy and goals. The presentation should be 10 minutes followed by 10 minutes of Q&A.

There are three critical issues that you will need to manage with your host company – expectations, access, and timing.

**Expectations.** Successful E-Lab projects are those that are able to focus on relatively well-defined but critical problems facing host companies, and provide analysis and recommendations that allow host companies to accelerate their ability to understand their core customers, identify the most promising market opportunities, or position their commercialization efforts most effectively. Given the turbulent life of a start-up, E-Lab projects often change in scope during the semester; but these changes can be handled, providing that everyone involved understands why there is a need for change, and what should be done as a result. During your first meeting with your host company, the entire team should work hard to identify what aspects of the project are of most direct interest to the host company, and what barriers are anticipated in terms of access, analysis, and implementation. **Please reach out to the faculty or TA if there is a problem setting appropriate expectations with your host company; we would rather intervene early and ensure a great E-lab experience rather than have to manage a crisis during the second half of the semester.**

**Access.** All E-Lab host companies are expected to offer access and engagement by the company leadership in helping to shape the overall objectives of the project and provide the access to allow you to get your project completed in a timely and effective way. Frequent high-level contact has been a key element of past successful E-Lab projects. Access to prospective or actual customers is also essential for E-Lab projects. You must address this issue up-front with your host companies, including understanding how much access you will have, who will be available to you, and how often you can meet face-to-face (this is especially important for host companies that are not in the Boston area). You should also ask them whom to contact if your expectations are not being met, and you need help to resolve the problem. **Please reach out to the faculty or TA if there is a problem gaining appropriate and steady access to decisionmakers within your host company; we would rather intervene early and ensure a great E-lab experience rather than have to manage a crisis during the second half of the semester.**

**Timing.** Front-load your projects! The semester goes by very quickly and involves a lot of work. Most teams will be working with outsiders, and so you will not have control over
scheduling issues. Teams will need to ramp up early. During the semester, remain in close contact with your company and the course faculty. Please let the faculty and TAs know promptly if problems arise, so we can help you.

Your final formal presentation to the host company typically occurs after your final MIT presentation/feedback session. People from the company do not attend the internal MIT sessions. After your final presentation to the host, the course faculty may close the loop, checking with the senior company contact to see how they felt the project went. **Your course grade will depend only on your internal MIT evaluation, not on the views of the company.** But we encourage you to ask for feedback from the company as you proceed.

**Working with Your E-Lab Team**
One of the objectives of E-Lab is to have students gain experience in working within a diverse team focused on a specific business problem facing a growing enterprise. Leveraging the resources of your team and efficiently using the scarce time of team members are crucial for an effective E-Lab project. In E-Lab, each student is also a teacher. Engineering/science students will be important in helping their teams understand the relevant technology and trends. MBA students will help others to understand how to analyze business performance. You may find that in some classes, one of your teammates has experience of the topic we are covering (or occasionally, the specific cases we use). Tap into this knowledge, not to get the “right answer,” but for help in applying the concepts to the problems we are tackling.

All team members will complete a 360-degree group evaluation after the final in-class presentation. **Team member evaluations contribute to 5% of the total class grade.**

**Managing an E-Lab Project Essay**
Each student will complete an individual two-page essay, due on December 13, which will focus on the key lessons that you have learned about how to manage more effectively as the result of your E-Lab experience. More detailed instructions will be provided by email in the second half of the semester. **This individual essay will count for 10% of the course grade.**
**Professionalism and Ethics**

You are a representative of MIT. Your behavior will affect people’s opinions of you and their opinions of MIT. As a representative of the MIT community, it is your responsibility to be competent, ethical, professional, and polite. Ethics require special attention with start-ups and technology companies. You have already agreed to maintain the confidentiality of the company information on the course website. Host companies may ask you to sign a non-disclosure agreement (NDA). This is normal. Just ensure that the NDA does NOT restrict your future employment (e.g., prevents you working in the same industry). You can decline to sign an NDA, but if you do, the company may redefine the project and it may be less interesting. Ask the company to be clear on the information you can or cannot share, whether or not you sign an NDA. In general, the more openly you can discuss what you are doing, the more insights you will generate, and the more useful your project will be to the company; but the company must weigh this against protecting their key information. Some companies, for example, may be in stealth mode, and cautious of revealing too much.

You absolutely may not work on a company or project where you have any conflict of interest, such as connection to a competitor. **Please do not take any chances about this requirement; if there is any question whatsoever, speak with the course faculty before you choose a company.**

You may face ethical issues when you interview customers, competitors and others during your field research. Start by saying that you are an MIT student working on a course project with a company. If an interview subject asks which company, tell them. If an interview subject asks for additional information, be careful with the information you release. If a potential subject refuses -- or demands inappropriate information as the price of cooperation -- politely thank them and decline. You’ll find that most people will be happy to help, especially if you are straightforward with them, and make it clear why you value their opinions and what you will do with them.
## 15.399: ENTREPRENEURSHIP LAB
Senior Lecturer Jim Dougherty  
Professor Scott Stern  
Fall 2012

### Class Overview

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I. COURSE OVERVIEW

CLASS 1. E-Lab Overview and Project Selection  September 6

Welcome to E-Lab! We will begin with an overview of E-Lab, and a presentation from an E-Lab “alumni” from last semester to provide a sense of the challenges and opportunities of an E-Lab project. The focus of this session will be on how to use your E-Lab experience to develop the types of capabilities and skills required of an effective entrepreneur and manager in a dynamic environment, and how to effectively interact within your teams and with your host company.

In the second half of the session, we will help E-Lab participants choose their project and team, and launch each team on their project.

*Each E-Lab team must send an introductory email to their host company by the end of the first class session.*

CLASS 2. Entrepreneurial Strategy  September 13

This session will focus on the broader question for start-up ventures of how to develop and implement an effective entrepreneurial strategy. While some firms choose to develop the entire value proposition and disrupt established firms in the product market, other firms choose strategic approaches that involve significant cooperation with established firms, from simple licensing deals, to collaborative partnerships, to the development of technology platforms. We will focus on the key strategic trade-offs entrepreneurs face in choosing an entrepreneurial strategy, and how effective E-Lab projects can help a start-up to establish and then sustain competitive advantage.


CLASS 3. Scoping Your E-Lab Project and Working with Your E-Lab Host Company  September 20

Guest Speaker: Tim Feldman

Two of the key challenges of E-Lab are (a) scoping a mission-critical project with your host company that nonetheless can be achieved within the constraints of a single semester and (b) working effectively with your host company (and within your team) in order to achieve a strong final result.

This class will provide key tools to address both of those challenges. Students will work to develop a Problem Definition that allows them to work with their host client to define a meaningful yet doable project. As well, students will develop tools for more effectively managing their host company relationship.
CLASS 4.  E-Lab Host Company Get-Together  September 27

We have found that teams that spend the time upfront learning as much as possible about their host company and their strategy, prior to beginning the project, have better outcomes. To advance this idea, we have set a class session, Thursday, September 27, where your team will invite a top member of the host company (CEO or founder if possible) to come in and co-present an overview of the company. The presentation should include some history, current status and future strategy and goals. The presentation should be 10 minutes followed by 10 minutes of Q&A.

CLASS 5.  Preliminary Faculty Feedback Presentations  October 4

This class will focus on relatively short presentations by each team (faculty and TA only, 10 minutes for presentation, 10 minutes for Q&A). This early check-in is simply to ensure that each team has identified a clear business problem with their host company, have front-loaded key activities given the demanding schedule. This presentation also allows us to identify any issues or challenges facing a team (issues of access, group dynamics, etc).

Each team will be provided brief written feedback after the sessions to identify points of strength and weakness, and ensure that everyone is on the same page. **Grading will be on a 10-point scale.**

CLASS 6.  Go-To-Market  October 11

Guest Speaker: Ben Skinner, CEO, LCS Partners

Guest Speaker Ben Skinner will focus us on the choice of how to go-to-market and identify the lead or “ideal” customers who can drive the growth of a new venture. These are among the most critical decisions that a young venture can face. How do you identify the kinds of customers and opportunities that your host company should focus on? In addition, how to organize around the principle of “ideal” client and to put the ‘proper’ amount of structure in place, to improve short term results, as well as set up better for future growth. There are key early organizational and market decisions that have huge impact on the likelihood of success in the future.

CLASS 7.  E-Lab Group Work and Coaching Session  October 18

During the early weeks of the semester, each team should make a concerted effort to build on the feedback received from the preliminary presentation, meet with their host companies, gather data (interviews with customers, industry people, etc) and dig into the “meat” of their host company’s project assignment. **Each team is encouraged to meet with their faculty mentor during this period outside of class time, and class time will be reserved for an E-Lab Team Work Session.**

*No Class on October 25 – SIP!!*
The primary objective of this class will be to review an interim presentation. Each team will be provided a slot for a 15 minute presentation, followed by 10 minutes of Q&A with students, faculty and TA.

By this point in the semester, each team should have identified the main approach they will take in their analysis, conducted the main background interviews and data gathering, and have at least a proposed approach that they hope to advocate to their host company. Each team will receive some tailored coaching and feedback about how to strengthen the underlying analysis or link their analysis to actionable recommendations.

Each team will be provided oral feedback. Grading for this presentation is on a 10-point scale.

CLASS 9. E-Lab Group Work and Coaching Session November 8

Each team should make a concerted effort to build on the feedback received from the interim feedback session, be meeting with their host companies, and undertaking the core analysis that will underly their final presentations and recommendations. Each team is encouraged to meet with their faculty mentor during this period outside of class time, and class time will be reserved for an E-Lab Team Work Session.

CLASS 10. Leading a Venture November 15

This class will focus on key decisions/actions of a ventures leadership that have a huge impact on future success. Topics like culture, next level team selection, compensation philosophy, organizational structures, ‘risk’ decisions, and other topics will be covered.

No Class on November 22 – Thanksgiving!!
CLASS 11. Final Presentation Preparation November 29

Groups can meet in an around class time to finalize their presentations, receive coaching, and work with host companies to finalize their presentation. **Each team is encouraged to meet with their faculty mentor during this period outside of class time, and class time will be reserved for an E-Lab Team Work Session.**

CLASS 12 Final In-Class Presentations December 6

This will be the final formal meeting of E-Lab and will consist of team presentations. Each E-Lab project team will make a formal presentation, followed by Q&A. **Grading will be on a 50-point scale, and each team will be provided feedback before their host company presentation.**

CLASS 13. Final Presentations – Host Company ~ December 13

Each E-Lab team will arrange a mutually convenient time to arrange a presentation to senior members of the executive team at your host company (often this will involve people at a more senior level than those whom you have been interacting with on an operational level for your E-Lab project).

After your final presentation to the host, course faculty will close the loop, checking with the senior company contact to see how they felt the project went. **Your course grade depends only on your internal MIT evaluation, not on the views of the company.**

ESSAY ASSIGNMENT DUE: “Managing an E-Lab Project”

360-Degree Team Evaluations DUE

**Congratulations E-Lab Graduates!**

*Have a happy holiday season!!*