

# University of California at Santa Barbara

## Bren School of Environmental Science and Management

### New Venture Opportunity Analysis ESM 256B, Winter 2017

Class: MW 4:00-5:15 pm (Bren Hall 1414)

	<u>Module 1</u>	<u>Modules 2 and 4</u>	<u>Module 3</u>
Instructor	Sarah Anderson	Emily Cotter	Alex Kehaya
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#### Course Description

ESM 256B is an introductory course on entrepreneurship for students interested in launching a new product or service that offers an environmental and/or social benefit. This course is about developing the analytical and conceptual skills required to assess the potential for a new environmental venture (i.e., an Eco-E Opportunity). The Eco-E opportunity analysis process involves identifying, evaluating and determining whether or not to pursue an opportunity. In addition, the process includes analyzing whether or not the opportunity will result in an environmental and/or social benefit.

Working on a team, students will generate an idea, identify and define a market opportunity, and perform an assessment of whether their new venture concept represents an Eco-E Opportunity and whether it should be pursued. Topics covered include: idea generation, industry analysis, opportunity recognition, concept development, market definition, customer discovery, competitive analysis and business model development.

#### Learning Objectives

- Learn to identify, develop and evaluate potential Eco-E opportunities.
- Acquire skills for researching and analyzing key industry, market, competitor and customer information, gathering data from both primary and secondary sources.
- Develop analytical and critical thinking skills through the process of completing an opportunity assessment for launching a new product or service.
- Build a compelling case to prove that your concept is a viable Eco-E Opportunity, through a written analysis and oral presentation before a panel of judges comprised of entrepreneurs and investors from the local business community.

#### Required Reading

##### *Harvard Cases*

Cases are listed in the schedule below. See course entitled "New Venture Opportunity Analysis (ESM 256B, Winter 2017)" on Harvard Business Publishing site at:

<http://cb.hbsp.harvard.edu/cbmp/access/56249323>

All the cases are listed under the Harvard course entitled “New Venture Opportunity Analysis (ESM 256B, Winter 2017).” Each Harvard Case costs \$4.25. The total approximate cost for the coursepack is \$21.25 (paid directly to Harvard Business Publishing).

All other required reading will be made available via download on GauchoSpace.

### **Optional Reading**

*Value Proposition Design*

Alexander Osterwalder, Yves Pigneur, Gregory Bernarda, Alan Smith and Trish Papadakos

<https://strategyzer.com/books/value-proposition-design>

### **Attendance and Participation**

Students are expected to attend every class. The participation portion of the grade is 300 points. Participation is evaluated in a number of ways. Obviously, participation is correlated with attendance. It is impossible to earn participation points if a student is not in class. Students remain responsible for submitting work due even if absent. Students should e-mail the instructor prior to any missed class. Students remain responsible for the material covered and assignments given during an absence and are to discern this information from their peers.

Attendance at all class sessions is critical to the learning process and the participation component of the course. Entrepreneurship is a collaborative and interactive process. Entrepreneurs find opportunities, adapt, and improve themselves by listening and learning from others. Please come to class prepared to participate in the day’s activities.

### **Confidentiality Policy**

Throughout the Eco-Entrepreneurship program, students will be exposed to proprietary information from other students, guest lecturers and faculty. All such information is to be treated as confidential. By enrolling in and taking part in the Eco-Entrepreneurship program's classes and activities, students agree not to disclose this information to any third parties without specific written permission from students, guest lecturers or faculty, as applicable. Students further agree not to utilize any such proprietary information for their own personal commercial advantage or for the commercial advantage of any third party.

In addition, students agree that any legal or consulting advice provided without direct fee and in an academic setting will not be relied upon without the enlisted opinion of an outside attorney or consultant, in each case without affiliation to the Eco-Entrepreneurship program.

Receipt of this policy and registration in this class is evidence that you understand this policy and will abide by it.

### **Assignments and Grading**

All assignments must be turned in on time. Assignments will be submitted in soft copy format on GauchoSpace, unless otherwise instructed.

All assignments submitted on GauchoSpace should use the following file format:

#### Team Assignment

(Assignment Name)\_(Team Name)

*Example: Sprint Presentation 1\_Green Gauchos*

#### Individual Assignment

(Assignment Name)\_(Last Name)

*Example: Peer Evaluation\_Cotter*

The deadline is at the beginning of class (i.e., 4:00 pm) on the due date listed for each assignment, unless otherwise instructed. Assignments submitted after the deadline but within 24 hours will lose 5% of the total points; after that, an additional 5% for each day that the assignment is late.

	<b>Individual Contribution</b>	<b>Team Contribution</b>
Participation <ul style="list-style-type: none"> <li>• Attendance</li> <li>• In-Class Discussions &amp; Exercises</li> <li>• Pitches &amp; Presentations</li> </ul>	300 points (15%)	
Background/Literature Review:		
Written Paper	100 points (5%)	
Process and Results Presentation	100 points (5%)	
Eco-E Opportunity Analysis Project:		
Eco-E Opportunity Concept Proposal Presentation		200 points (10%)
Sprint Presentation #1		200 points (10%)
Sprint Presentation #2		200 points (10%)
Final Presentation		400 points (20%)
Written Analysis		400 points (20%)
Individual Contribution to Eco-E Opportunity Analysis Project, Based on Peer Evaluation	100 points (5%)	
	600 points (30%)	1,400 points (70%)

**TOTAL** 2,000 points (100%)

### Description of Course Assignments

#### Background/Literature Review – Written Paper

You should find out what is known about the environmental problem that you would like to address.

You need to locate materials already written about the specific problem and its location or other context, including agency, industry, and consultants' reports, which will often lead you to critical datasets and useful scientific literature. You will also need to initiate a strategic search for technical literature (journals, books, electronic resources) describing and explaining the problem and methods for studying it. What is already known in general about natural and social processes involved in the problem?

Your paper should include an environmental problem analysis that addresses the following questions:

- What is the environmental problem you hope to address?
- What causes this environmental problem?
- Who is affected by this problem?
- How big is this problem?
- What are the uncertainties/unknowns?

A soft copy must be uploaded onto Gauchospace before class on 1/23/17.

#### Background/Literature Review – Process and Results Presentation

The purpose of this assignment is to present the results of your Background/Literature Review to your classmates. In addition, you will share your process.

A soft copy of your PowerPoint presentation must be uploaded onto Gauchospace before class on 1/23/17.

### Eco-E Opportunity Concept Proposal Presentation

The purpose of this assignment is to present your initial Eco-E Opportunity concept to your classmates in order to receive peer feedback on your proposed idea. For this assignment, you will create five (5) PowerPoint slides, as follows:

1. Team – List the name of your project team with all the team members
2. Eco-E Opportunity Concept (Overview)
3. Core Customer Problem Hypothesis
4. Solution Hypothesis
5. Environmental Problem Hypothesis

Consider the Eco-E Opportunity Canvas elements, when drafting this proposal presentation:

- Discuss the opportunity by presenting your concept and addressing all three Eco-E elements.
- Provide elaboration on the concept and justify it based on any initial industry/market analysis and/or customer research. Be sure to cite sources where required (e.g., industry statistics).
- Describe the fundamental environmental problem that would be addressed by your proposed solution.

A soft copy must be uploaded onto GauchoSpace before class on 2/1/17.

### Eco-E Opportunity Project

Working on a team, students will demonstrate their ability to perform customer discovery research and analyze a potential Eco-E opportunity. Eco-E Opportunity Project Teams will be comprised of two to five people. During the quarter, teams will conduct customer discovery research, perform industry/market analysis, research the environmental problem in three “sprints,” as follows:

	<u>Sprint Period</u>	<u>Sprint Length</u>	<u>Presentation Date</u>
Sprint #1:	2/1/17 to 2/12/17	12 days	2/13/17 or 2/15/17
Sprint #2:	2/13/17 to 2/26/17	14 days	2/27/17 or 3/1/17
Sprint #3:	2/27/17 to 3/12/17*	14 days	3/13/17**

*\*Eco-E Opportunity Project – Written Analysis due by 12:00 PM on Friday, March 10, 2017.*

*\*\*Eco-E Opportunity Project – Final Presentation on Monday, March 13, 2017.*

The goal of each sprint is to “get out of the building” and talk to 10-15 customers and/or industry experts face-to-face, in order to discover evidence for the following:

- a customer problem exists;
- a proposed solution that solves this problem for an identifiable group of customers/users;
- the market is accessible and potentially large enough that a viable business might be built; and
- the proposed solution can help solve an environmental problem.

For the environmental problem analysis, teams will research and analyze the environmental problem, policy and solutions. Additionally, teams will research and analyze the macro environment to provide supporting context for developing a business model based on the Eco-E Opportunity.

On each presentation day, teams will report what they learned through customer discovery research during the last sprint. Teams will also share any new research or analysis that supports the overall Eco-E Opportunity (see the Eco-E Opportunity Canvas for specific questions to be answered). Each Interim Sprint Presentation will account for 10% of your grade (max. 200 points). These points will be the same for each team member.

### Opportunity Analysis Project – Final Presentation

Each team will be asked to do a presentation of their opportunity analysis. The presentations will be judged by a panel of experts (investors, entrepreneurs). Specific guidelines for the presentations will be posted on GauchoSpace and discussed in class. The Presentation will account for 20% of your grade (max. 400 points). These points will be the same for each team member.

In addition, 5% of your grade (max. 100 points) will depend on your individual contribution to the team, as evaluated by your teammates. An evaluation form will be completed during the last week of class to provide these peer evaluations.

### Opportunity Analysis Project – Written Analysis

This is the major project for the class and will demonstrate your ability to conceptualize and analyze your Eco-E Opportunity. The project will be conducted in teams of two to five students. A separate document regarding the details of the final project and the grading sheet will be posted on GauchoSpace. The Written Assessment will account for 20% of your grade (max. 400 points). These points will be the same for each team member.

## New Venture Opportunity Analysis (ESM 256B, Winter 2017) – Course Schedule

### Module 1 – The Environmental Problem

Session	Class Date	Class Topic	Deliverables	Readings
1	Mon 1/9/17	<b>Overview of Background/Literature Reviews</b> <ul style="list-style-type: none"> <li>• Big Picture (Problem)</li> <li>• What's Known</li> <li>• What's Not Known</li> <li>• Why It Should Be Known/Done Benefits</li> </ul>	Come prepared to present the environmental problem that you would like to address	Eco-E Opportunity Canvas: Core Environmental Problem-Solution Sample Background/Literature Reviews
2	Wed 1/11/17	<b>Approaches to Background/Literature Reviews</b> <ul style="list-style-type: none"> <li>• Discuss sample background/literature reviews assigned</li> <li>• Students will present their ideas for environmental problems that they would like to potentially address through an Eco-E Project</li> <li>• The instructor will provide feedback to students and manage class discussion</li> </ul>		Sample Background/Literature Reviews
3	Mon 1/16/17	<b>NO CLASS – Martin Luther King, Jr. Holiday</b>		
4	Wed 1/18/17	<b>Organizing, Structuring and Writing Background/Literature Reviews</b> <ul style="list-style-type: none"> <li>• Instructor will provide guidance on preparing background/literature reviews</li> <li>• Discuss sample background/literature reviews assigned</li> </ul>		Sample Background/Literature Reviews
5	Mon 1/23/17	<b>Background/Literature Review Presentations</b>	<b>Background/Literature Review Due</b> <ul style="list-style-type: none"> <li>• Written Paper</li> <li>• Process and Results Presentation</li> </ul>	

## Module 2 – The Business Context

Session	Class Date	Class Topic	Deliverables	Readings
6	Wed 1/25/17	<b>Eco-E Opportunity Overview</b> <ul style="list-style-type: none"> <li>Eco-E Opportunity Canvas</li> <li>Eco-E Opportunity Concept Proposal Presentation</li> </ul> <b>Business Model Environment</b> <ul style="list-style-type: none"> <li>Industry Definition</li> <li>Key Trends</li> <li>Macroeconomic Forces</li> </ul> <b>Team Recruitment Pitches</b>	<u>Optional</u> : Come prepared to pitch a new idea to recruit a team. Submit an Eco-E Opportunity Pitch slide by email to <a href="mailto:ecotter@bren.ucsb.edu">ecotter@bren.ucsb.edu</a> by 12:00 PM.	Embracing Bad Ideas To Get To Good Ideas How to Get Startup Ideas Why Too Many Startups (er) Suck Eco-E Opportunity Canvas Marketing Analysis Toolkit: Situation Analysis (Harvard Case #510079)
7	Mon 1/30/17	<b>Industry Forces: Competitive Analysis</b> <ul style="list-style-type: none"> <li>Industry Competitiveness</li> <li>Competitive Analysis</li> </ul> <b>Market Forces</b> <ul style="list-style-type: none"> <li>Market Segments</li> </ul> <b>Market Research</b> <b>Team Recruitment Pitches</b>	<u>Optional</u> : Come prepared to pitch a new idea to recruit a team. Submit an Eco-E Opportunity Pitch slide by email to <a href="mailto:ecotter@bren.ucsb.edu">ecotter@bren.ucsb.edu</a> by 12:00 PM.	Competitor Analysis: Understand Your Opponents (Harvard Case #2572BC) A New Way to Look at Competitors Four Steps to the Epiphany: Channel “Food Chain” (p.91-92), Channel Discounts and Financials (p.93-94) Market Customization: Market Segmentation, Targeting, and Positioning (Harvard Case #2580BC) Note on Market Research (Harvard Case #E165) Online Research Guide

### Module 3 – Customer Discovery

Session	Class Date	Class Topic	Deliverables	Readings
8	Wed 2/1/17	<b>Eco-E Opportunity Concept Proposal Presentations</b>	<b>Team Formation Deadline</b> Eco-E Opportunity Concept Proposal Presentation Due by 12:00 PM.	
9	Fri 2/3/17 1:30-3:30 PM DCR	<b>Eco-Entrepreneurship Advisory Council (EEAC) – Winter Meeting</b>	<b>Eco-E Opportunity Concept Proposal Presentations</b> First year students will present their Eco-E Opportunity concept proposals and initial research to the EEAC. EEAC will be asked to comment on the ideas, provide insights and make recommendations for customer research steps.	
10	Mon 2/6/17	<b>Customer Discovery</b> <ul style="list-style-type: none"> <li>Value Proposition Design</li> <li>Identifying Opportunities Ladders</li> </ul>		Value Proposition Design Preview 10 Tips for Amazing Customer Development Interviews Four Steps to the Epiphany: Customer Hypotheses – Types of Customers (p. 43-45), Customer Hypotheses – Customer Problems (p. 46-47), Customer Hypotheses – A Day in Your Customer’s Life (p. 48)
11	Wed 2/8/17	<b>Value Proposition Design Workshop</b>		
12	Mon 2/13/17	<b>Sprint #1 Presentations</b>	Sprint #1 Presentation Due by 12:00 PM on the day your team presents.	
13	Wed 2/15/17			
14	Mon 2/20/17	<b>President’s Day – NO CLASS</b>		
15	Wed 2/22/17	<b>Guest Speaker: (TBD)</b>		
16	Mon 2/27/17	<b>Sprint #2 Presentations Eco-E Opportunity Project Written Analysis and Final Presentation</b>	Sprint #2 Presentation Due by 12:00 PM on the day your team presents.	
17	Wed 3/1/17	<ul style="list-style-type: none"> <li>Emily will be in class to review the guidelines and discuss final presentation preparation on Wed 3/1/17</li> </ul>		
	Fri 3/3/17 12:00 PM	<b>MESM 2018 Eco-E Project Proposal Online Application Due</b>	Online applications for proposed Eco-E Projects are due by 12:00 PM. Submit applications electronically via survey link: <a href="https://www.surveymonkey.com/s/2018EcoEprojectapp">https://www.surveymonkey.com/s/2018EcoEprojectapp</a>	

### Module 4 – Eco-E Opportunity Analysis Wrap-Up

Session	Class Date	Class Topic	Deliverables	Readings
18	Mon 3/6/17	<b>Market Analysis</b> <ul style="list-style-type: none"> <li>• Market Type</li> <li>• Market Entrance Strategy</li> <li>• Market Size</li> </ul>		Four Steps to the Epiphany Preview: The Four Types of Startup Markets (p. 20-23) Why Pioneers Have Arrows In Their Backs Marketing Analysis Toolkit: Market Size and Market Share Analysis (Harvard Case #510081)
	<b>Wed 3/8/17</b> <b>11:30 AM-12:30 PM</b> <b>Bren 1414</b>	<b>MESM 2018 Group Project Unveiling Presentation</b> Eco-E Project Proposals to be presented	First-year MESM students should attend to find out which proposals were chosen by the Group Project Selection Committee to move forward as projects for your class. Eco-E Project Proposals will also be presented. Note: Eco-E Project Proposals will be selected by the Eco-E Program Faculty Committee on Tue 3/14/17.	
19	<b>Wed 3/8/17</b> <b>4:00-7:00 PM</b> <b>Bren 1414</b>	<b>Eco-E Opportunity Analysis Presentation Practice</b>	Sign-up on GauchoSpace for a 30-minute team presentation practice time slot. Eco-E alumni and second-year students will serve as advisors and provide feedback.	
	<b>Fri 3/10/17</b> <b>12:00 PM</b>	<b>Eco-E Opportunity Project Written Analysis Due</b>	<b>Eco-E Opportunity Project (Written Analysis) Due by 12:00 PM</b>	
20	<b>Mon 3/13/17</b> <b>4:00-6:30 PM</b> <b>Bren 1414</b>	<b>Eco-E Opportunity Analysis Final Presentations</b> All teams present to judging panel	<b>Final Presentation Due by 12:00 PM</b>	
	<b>Wed 3/15/17</b>	<b>NO CLASS</b>	<b>Peer Evaluation Form Due</b>	