Welcome to 15.835!
Entrepreneurial Marketing

Session 1:
Entrepreneurship and Marketing

Puzzle I
• Who are the major competitors of successful new ventures?
  (a) Small companies or other start-ups
  (b) Fortune 500 companies
  (c) Vertical integration by customers
  (d) All of the above
  (e) Few direct competitors

Puzzle II
• Does every successful entrepreneur have a break-through product or service?
  (a) Almost always
  (b) Usually
  (c) Less than half
  (d) Rarely

Puzzle III
• What % of successful new ventures competed in early-stage industries?
  (a) High
  (b) Medium
  (c) Low

Answer: Puzzle III

How “mature” was the industry you competed in?

- Matured market (53%)
Puzzle IV

- What do you think about the following statement: “Every successful entrepreneur has a detailed master plan from the start”

  (a) Of course, it is true.
  (b) No. Most entrepreneurs have great visions but typically lack organized thinking.
  (c) Most have a business plan.

Why?: Puzzle IV

- Impossible to anticipate all rapid changes in the environment
- Lots of missing information
- Typically, entrepreneurs have many hypothesis
- On-line correction of plan over time

Planning is a process

The missing elements in the plan emerge as time progresses.

Key: Product/Service Differentiation

Find something I can do best but others cannot easily replicate

Question: Why didn’t most of them have business plans?

- For most successful new ventures,
  - There was nothing unique about their base functionality
  - Existence of substitutes
  - Half of them were competing in matured industries
  - Many small-size start-up competitors

- How could they be successful?

Challenges to New Venture (cont’d)

- Timing is all about
- Find a foothold to survive
- Find a foothold to avoid competition with giant firms
- Build a strong brand from nothing
- Build or expand its own market/customer base
Throughout this course, we will discuss important marketing problems through the window of Entrepreneurial New Venture. We will also learn easily applicable low-cost tools for making important marketing decisions.

How to do it

Strategic Constraints of New Venture

- Limited resources
  - Financial
  - Man power
  - Knowledge and information
    - Lots of HYPOTHESIS

Two Major Themes of This Course

- How to best leverage my Limited Resources to overcome challenges?
- What and How am I selling to Whom?

What Will We Do?

- Throughout this course,
  - We will discuss important marketing problems through the window of Entrepreneurial New Venture.
  - We will also learn easily applicable low-cost tools for making important marketing decisions.

How to do it

Course Outline

- Module 1: Entrepreneurship and Marketing
  - Session 1 (2/6): Introduction
  - Session 2 (2/11): Competitive advantage
  - Session 3 (2/13): Guest speaker, Eric Spitz
- Module 2: Identifying Market Opportunities
  - Session 4 (2/19): Market research
  - Session 5 (2/20): Wildfire Communication Inc. (A)
  - Session 6 (2/25): Demand forecasting
  - Session 7 (3/27): E.T. Phone Home, Inc.
- Module 3: Market Development
  - Session 9 (3/6): WaterTest Corporation
  - Session 10 (3/11): CNET2000
  - Session 11 (3/13): Positioning
  - Session 12 (3/18): Guest speakers, Alex Kleiner and Rob Guttman

Course Outline (cont’d)

- Module 4: Entrepreneurial Communication Strategy
  - Session 13 (4/1): Guest speaker, Brent Hodgins
  - Session 14 (4/3): Winsales
  - Session 15 (4/9): TIVO
- Module 5: Entrepreneurial Pricing Strategy
  - Session 16 (4/10): Pricing Tools I
  - Session 17 (4/17): Pricing Tools II
  - Session 18 (4/22): Rogers Communications, Inc.: The Wave
- Module 6: Entrepreneurial Distribution Strategy
  - Session 19 (4/24): Keurig, Nick Lazaris
  - Session 20 (4/29): Mathsoft (A)
- Discussion Class
  - Session 21 (5/1): Guest speaker, Brad Feld

Course Outline (cont’d)

- Module 7: Building Customer Relationships
  - Session 22 (5/6): Managing Customers
  - Session 23 (5/8): BizRate.com and Wrap-UP

- Presentation of Marketing Plans
  - Session 24 (5/13)
  - Session 25 (5/15)
Grading

• Four Written Assignments (30%)
  – Only top three will be counted
  – 10 pts per each

• Marketing Plan (40%)
  – Important criteria (35%)
    • Does the plan solve the problem?
    • Quality of problem-solving
    • Completeness
  – Peer evaluation (5%)

• Contribution to Class Discussions (30%)
  – 1 pt for attending the session
  – 2 pts for making a contribution
  – 3 pts for making a strong contribution