

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

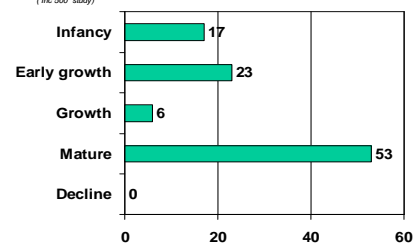
- Does every successful entrepreneur have a breakthrough product or service?
 - (a) Almost always
 - (b) Usually
 - (c) Less than half
 - (d) Rarely

Puzzle III

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

Answer: Puzzle III

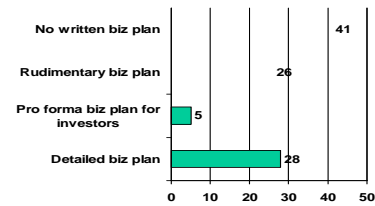
How "mature" was the industry you competed in?
(from 500+ study)



- 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.



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

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.

Question

- 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?

Key: Product/Service Differentiation

**Find something I can do best
but others cannot easily replicate**

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

Strategic Constraints of New Venture

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

Two Major Themes of This Course

Entrepreneurial New Venture

How to best leverage my Limited Resources to overcome challenges?

Marketing

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 (2/27): E.T. Phone Home, Inc.
- Module 3: Market Development
 - Session 8 (3/4): net.Genesis, Inc.
 - 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 (4/8): 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