

PROGRAM SYLLABUS – Version of 3/9/2022

ENTREPRENEURSHIP – CSE 490A, CSE 599A1, CSEP 590D, ENTRE 532A,B

UNIVERSITY OF WASHINGTON

WEDNESDAYS, 6:00-9:15 PM, PACCAR 291 (~~first one two three~~ four sessions on Zoom)

Winter 2022

Greg Gottesman and Ed Lazowska

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Office Hours: Saturdays and Sundays, 10:00 am to noon (by appointment)

All assignments should be emailed to **Matt Wang** (matt@psl.com)

COURSE OBJECTIVES

The course objectives are two-fold: (1) to develop an awareness and understanding of the range, scope, and complexity of issues involved in starting a technology business; and (2) to gain insight into how entrepreneurs conceive, adapt, and execute strategies to create new, successful businesses.

COURSE OVERVIEW

This course is about entrepreneurship and specifically about starting, growing, managing, leading, and ultimately exiting a new venture. Of all the courses you take at the University of Washington, this one will likely be the most hands-on. Sixty percent of your grade will be based on pitches, product demos, and a business plan that you develop with your team.

The course sessions will follow the natural order of starting a new business: choosing your idea and your team, validating that idea with customers, honing your initial pitch, dealing with the legal issues of starting a business, building a great product, deciding among financing strategies, developing a go-to-market and operating plan, and exiting successfully. We will spend part of nearly every three-hour block giving you feedback on your actual pitches, your product, and your business generally. To ensure that this course is practical, we will invite numerous guests who are currently working in the venture ecosystem: CEOs, venture capitalists, lawyers, journalists, and others involved in the startup community.

BACKGROUND READING

Peter Thiel, [*Zero to One: Notes on Startups, or How to Build the Future*](#) (You may find Peter Thiel repugnant - I certainly do - but this is a worthwhile book.)

Colin Bryar & Bill Carr, [*Working Backwards: Insights, Stories, and Secrets from Inside Amazon*](#)

Brad Feld & Jason Mendelson, [*Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist*](#)

GRADING

Grading for the class will be as follows:

Class Contribution	25%
Class Assignments	15%
Term Project (in-class presentations, final presentation, and written material)	60%

NO RECORDING! NO SOCIAL MEDIA!

Our guests must be able to speak candidly. No recording! No social media! What our guests tell us remains among us.

DETAILED SYLLABUS, READINGS, AND ASSIGNMENTS

Class #1: Wednesday, January 5, 2022 (on Zoom) Introduction to Entrepreneurship

Hour 1: Course Overview and Expectations (Greg Gottesman)
Intro to Entrepreneurship and Company Building (Greg Gottesman)

Read: [*Some Thoughts on Business Plans*](#) (HBS Case #9-897-101)

- What are the key components of a successful venture?
- What are the key components of a business plan?
- How do the key components of a successful venture and the key components of a successful business plan differ?

Hour 2: Five Funding Tips in 15 Minutes or Less (Greg Gottesman)
Choosing Your Teams (Greg Gottesman)

Hour 3: Case study: Cash (Guests: **Leonardo Estrada**, Co-Founder and CEO, and **Esteban Posada**, Co-Founder and CTO (and course alum))

Assignment Due on January 12: Come to class prepared to make a persuasive one-minute pitch of a new business idea and product that you would like to build. Reading *Zero to One* might help with idea generation.

Class #1.5: Wednesday, January 12, 2022 (5 pm) (on Zoom) **Optional** Book Review Session

Read: Peter Thiel, [*Zero to One*](#)

Hour 1: Discuss *Zero to One* and new ideas for potential pitches

Class #2: Wednesday, January 12, 2022 (on Zoom)
Generating Startup Ideas

Read: Guy Kawasaki, [The Art of Pitching](#) (Chapter 3 of *The Art of the Start*)
Peter Thiel, [Zero to One](#)
[Madrona Venture Group Seed Pitch Deck Guide](#)

Watch: <http://www.geekwire.com/2011/airbnb-pet-introducing-place-rover/>
<https://www.geekwire.com/2012/favorite-pitches-techstars-demo-day-robert-scoble/>

Hour 1: Student One-Minute Business Pitches

Hour 2: Choosing Your Idea and Forming Teams

Hour 3: Choosing Your Idea and Forming Teams

Assignment Due on January 19: Prepare as a team a three-minute pitch (up to 10 slides) of your team's startup idea. **(Note: These pitches will be a recurring assignment for the rest of the course.)** (Read [The Art of Pitching \(Chapter 3 of The Art of the Start\)](#) (Guy Kawasaki) and [Madrona Venture Group Seed Pitch Deck Guide](#).)

Class #3: Wednesday, January 19, 2022 (on Zoom)
Customer Validation

Hour 1: Acquiring Customers Using Facebook and Google (Guest: **Peter Denton**, Head of Growth, XMTP)

Hour 2: Working Backwards: Amazon's Approach to Innovation (Guests: **Bill Carr**, co-author of *Working Backwards*, former COO OfferUp, former Amazon VP of Prime Video, Amazon Studios, and Amazon Music, and **Colin Bryar**, co-author of *Working Backwards*, former Amazon VP as COO of IMDb.com, then COO of RedMart)

Hour 3: Student Pitches with Feedback (Peter Denton, Bill Carr and Colin Bryar)

Assignment Due on January 26: Prepare as a team a one-to-two page Amazon-style, customer-centric press release about your startup idea. (Read [PR FAQs for Product Documents](#), [Amazon Kindle Press Release](#), [Working Backwards PR FAQ Template](#).)

Class #4: Wednesday, January 26, 2022 (on Zoom)
Building Product

Hour 1: Prototyping Your Product (Guests: **David Zager** and **Ben Gilbert**, Pioneer Square Labs) - check out Ben and David's podcast [Acquired](#)!

Hour 2: Case study: Dance Church (Guests: CEO **Clara Siegel** and Founder/CCO **Kate Wallich**)

Hour 3: Student Pitches with Feedback (David Zager, Ben Gilbert, Clara Siegel and Kate Wallich)

Class #5: Wednesday, February 2, 2022
Marketing Your Business

Hour 1: Seattle tech scene overview (Guest: **John Cook**, Co-Founder, GeekWire)

Hour 2: Secrets of Growth Marketing (Guest: **Rich Tong**, Co-Founder and CEO, NetDrones)

Special Guest: **Kushagra Vaid** (General Partner, Eclipse) with high school daughter Sonali

Hour 3: Student Pitches with Feedback (John Cook, Rich Tong and Kushagra Vaid)

Class #6: Wednesday, February 9, 2022
Go-to-Market & Sales

Hour 1: Go-to-Market Case Study: Rover (Guest: **Alison Rutty** (virtual), Director of Product, New Business Lines)

Read: [*Every Company Needs A Strategic Narrative. Here's Why \(And How To Build Yours\)*](#)

Hour 2: Sales Strategies (Guest: **Kelly Wright** (virtual), COO Gong, former VP Sales Tableau)

Special Guests: **Kirsten Paust** and **Javier Irazola** (Leaders of Fortive/PSL Joint Venture Studio)

Hour 3: Student Pitches with Feedback (Kirsten Paust and Javier Irazola)

Class #7: Wednesday, February 16, 2022
Financing Dynamics

Read: [*Amazon Leadership Principles*](#)

Hour 1: Fireside Chat (Guest: **Andy Jassy**, CEO, Amazon, with wife Elana and daughter Sara)

Skim: [*Annotated Legal Term Sheet for Venture Capital Financing*](#)
[*WSGR 2022 term sheet*](#)

Hour 2: Term Sheet Negotiation (Guest: **Jeana Kim**, partner, Wilson Sonsini, with Greg Gottesman)

Hour 3: Student Pitches with Feedback (Jeana Kim, Matt Wang and Andrea Leach)

Assignment Due on Feb 23: Prepare as a team a one-to-two page investment memo in which you choose another team you would invest in, detail why (team, opportunity, business model, etc.), and on what terms. You are playing the role of venture capitalist. You will be considering whether to make a

\$1M investment in a Series Seed round in your classmates' company. The memo should contain the following: (1) one sentence about whether or not you are recommending an investment (if you want, you can use our 10-point scoring system to show how strongly you feel about the investment decision), (2) why you would (or would not) make an investment, covering items such as the (a) team, (b) product, (c) market size, (d) business model, and (e) timing, but feel free to focus primarily on the areas most relevant to your investment decision or employ a framework like the one in *Zero to One*, (3) the terms of your \$1 million investment (if you are recommending not to invest, you can still cover the terms by saying if your partners approve it notwithstanding your negative recommendation, you would recommend investing on the following terms), covering (a) pre-money valuation (e.g., \$1M on a \$3M pre-money valuation would give the investors 25% of the company post-money, and you might say what your pre-money starting point for negotiation is and what your walk-away pre-money valuation might be), (b) the control provisions (e.g., you can say you just want the standard control provisions or specify one or two that are especially important to you and, if so, why), and (c) the board composition (e.g., we think it should be one founder/CEO, one investor, and one independent, and how important board control is to you if the founders push back and say the common/founders need to control the board).

Class #8: Wednesday, February 23, 2022
Financial Modeling & Scaling a Business (Greg away)

Hour 1: Financial Modeling (Guest: **Palvi Mehta**, CFO, Pioneer Square Labs)

Resources: [Simple template financial model](#) (for a SAAS startup)
[Medium post on creating a financial model](#) (also for a SAAS startup)

Hour 2: Scaling HashiCorp (Guests: **Armon Dadgar** and **Mitchell Hashimoto**, Co-Founders, HashiCorp)

Special Guest: **Ken Horenstein** (Founder & Partner, Pack Ventures)

Hour 3: Student Pitches with Feedback (Ken Horenstein, Palvi Mehta, Armon Dadgar, Mitchell Hashimoto, Matt Wang and Andrea Leach)

Class #9: Wednesday, March 2, 2022
Exits & Final Thoughts

Hour 1: Exits (Guest: **Dan Levitan**, Managing Director, Maveron)

Next ½ hour: Course recap

Special Guests: **Isaac Kato** (Managing Director, Techstars Seattle)
Sangeen Zeb (Partner, Google Ventures)

Next hour: Student Pitches with Feedback (Isaac Kato, Sangeen Zeb, Matt Wang and Andrea Leach)

Final ½ hour: Final Thoughts from Greg and Ed

Class #10: Wednesday, March 9, 2022
Company Pitch Day

Assignment: Your team will have eight minutes to present your business to a panel of top venture capital and angel investors and then take five minutes of Q&A. In advance, please provide your complete pitch deck, a two-to-three-page executive summary, your financial plan, and some illustrations of your demo (a few slides that will remind us of what you showed). The financial plan can use the templates from the financial modeling presentation. We would like to see more detailed financial projections month-over-month for the first 12 months and then higher-level year-over-year projections for three years (not more). We care more about the reasonableness of the assumptions in the financial model than about the numbers, so just be clear to show what the driving assumptions are. If one person is driving the model, make sure to sanity-check it with your teammates.

Intro: Overview of Creative Destruction Lab (Guest: **Emer Dooley**, Site Lead, CDL-Seattle)

Hours 1-3: Final Company Pitches

Judges: **Emer Dooley**, Site Lead, CDL-Seattle
Geoff Entress, Co-Founder and Managing Director, Pioneer Square Labs
Andrew Freeman, Business Lead, Pioneer Square Labs
Mike Fridgen, Managing Director, Madrona Venture Labs
Len Jordan, Managing Director, Madrona Venture Group
T.A. McCann, Managing Director, Pioneer Square Labs
David Zager, Partner, PSL Studio, and Chief Design Officer, Pioneer Square Labs
Dave Peck, Software Engineer, Pioneer Square Labs