RCSC 325
Retail Entrepreneurship

Instructor: Scott Hessell
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shessell@email.arizona.edu - PREFERRED
Telephone: (520) 621-8573 (checks voice mail infrequently)

Office Hours:
Please use the link below for all office appointments:
https://www.timetrade.com/book/B17FN

https://cb.hbsp.harvard.edu/cbmp/access/20396632

Suggested Materials: Standard or Financial Calculator (Hewlett Packard/Texas Instruments)

Course Description: This course is designed to introduce students to the challenges and opportunities associated with a startup retail business venture. Through the development of a retail business plan, guest speakers, lectures and other in-class activities, the course will cover issues including the life and psychology of the small business retailer, identification of potential retail opportunities, the risks and challenges of starting a retail venture, decisions about location including web-based retailing and development of a new venture business plan. In addition, this course will introduce students to issues related to the on-going management of the growing retail business enterprise.

Learning Objectives: At the conclusion of the course, the student will be able to:

- Explain the various personal challenges a new retailer business owner must face and apply that knowledge to their own lives as it relates to starting their own retail business venture.
- Identify the wide range of retail business opportunities including franchising, brand new startups, internet-based businesses and others.
- Analyze the business and marketing opportunities and challenges of any one specific new retail venture.
- Discuss the various options for financing a new retail venture and understand the positives and negatives of each option for them personally.
- Understand the impact of the location decision including for web-based businesses on a retail business’ success and understand how to compare various locations to one another.
- Define the key elements of a new venture business plan and apply this learning to a specific new venture opportunity.
- Understand the key components involved in establishing and managing, on a going-forward basis, the operations of a new retail venture.
- Describe the basic steps of a budgeting procedure, including inventory management, and apply that learning to a specific business situation
- Understand the key issues involving human resource management in a retail business environment including legal considerations
- Describe the basic information technologies available to the new retail business venture.
- Understand the various sales and marketing elements and challenges to a new retail business and analyze the appropriateness of each to a specific business opportunity.
Grade Policy: The weights for the various elements of the course will be as followed:

<table>
<thead>
<tr>
<th>Evaluation Component</th>
<th>Grade Weight</th>
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<tbody>
<tr>
<td>New Venture Business Plan</td>
<td></td>
</tr>
<tr>
<td>Written Plan*</td>
<td>35%</td>
</tr>
<tr>
<td>3-Minute Video Presentation*</td>
<td>5%</td>
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<tr>
<td>Poster Session Pitch and Summary Evaluation*</td>
<td>10%</td>
</tr>
<tr>
<td>Entrepreneur Book Analysis</td>
<td>20%</td>
</tr>
<tr>
<td>Case Analyses (2 cases)</td>
<td>20%</td>
</tr>
<tr>
<td>Entrepreneur Founding Principles Test</td>
<td>10%</td>
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</tbody>
</table>

*: individual grades may be impacted by end-of-year group self-evaluation.

Course Grade Distribution

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
<td>&gt; 90%</td>
</tr>
<tr>
<td>B</td>
<td>&gt; 80%</td>
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<tr>
<td>C</td>
<td>&gt; 70%</td>
</tr>
<tr>
<td>D</td>
<td>&gt; 60%</td>
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<tr>
<td>E</td>
<td>Below 60%</td>
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</tbody>
</table>

Lecture Outline

Below is the expected schedule; this is subject to change as the course progresses. The instructor will announce any substantive changes to this schedule. The items under the column “Readings” SHOULD BE COMPLETED BEFORE THE WEEK SPECIFIED BELOW. DUE DATES ARE SUBJECT TO CHANGE.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Week 1</td>
<td>Course Introduction</td>
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<tr>
<td></td>
<td>Entrepreneurship as New Venture Creation</td>
</tr>
<tr>
<td>Week 2</td>
<td>Career Development and Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>Founding a New Venture: Solo or as a Team</td>
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<tr>
<td>Week 3</td>
<td>Founding a New Venture: Solo or Team?</td>
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<tr>
<td></td>
<td>Founding a New Venture: Team Relationships</td>
</tr>
<tr>
<td>Week 4</td>
<td>Founding a New Venture: Team Relationships</td>
</tr>
<tr>
<td></td>
<td>Founding a New Venture: Roles</td>
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<td></td>
<td>Founding a New Venture: Rewards</td>
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<tr>
<td>Week 5</td>
<td>Founding a New Venture – Idea Generation, Innovation and Refinement</td>
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<tr>
<td>Week 6</td>
<td>The New Venture – Business Model Design</td>
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<tr>
<td>Week 7</td>
<td>Market Opportunity, Problem Definition and Product Positioning</td>
</tr>
<tr>
<td>Week 8</td>
<td>Market Opportunity, Problem Definition and Product Positioning</td>
</tr>
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</table>
The following section describes the activities that will take place during the semester. As indicated, most of these are graded but others are simply required though not graded activities. Where indicated, additional information will be forthcoming.

1. **New Venture Business Plan**

The major activity of the course will be the completion – in groups of no more than four students – of a properly developed business plan and related materials.

- **Written New Venture Plan:** Each team must complete a new venture business plan on their business opportunity. This plan must cover all aspects appropriate for the venture and be based on actual secondary and primary market research and investigation. A basic template of a new venture business plan will be provided but students should utilize other resources including principally the required text, *Entrepreneurship in Action: A Retail Store Simulation* by Rose Regni and Jimmie Anderson. Key sections of the plan based on this text will be covered during the latter parts of the semester. Students are encouraged to begin planning ahead as it is anticipated that this activity – the research and writing – will take at least eight to ten weeks to complete.

- **3-Minute Video Presentation:** Each team will be responsible for creating a video presentation of their proposal not to exceed three minutes. The content of this presentation will be detailed later in the semester but will provide a comprehensive but concise explanation of the business venture, its market opportunity, sales and marketing plan, merchandising plan and potential financial returns. The actual content of the video can be developed creatively by the team. Various video editing tools are available including [www.youtube.com/editor](http://www.youtube.com/editor) and [www.pixorial.com](http://www.pixorial.com) but one may use whatever video tools they may have at their disposal. Greater in-class discussion and written instructions will be provided later in the semester. The basic rubric for this exercise is below:
<table>
<thead>
<tr>
<th>Grade</th>
<th>Content (75%)</th>
<th>Production Design (25%)</th>
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</thead>
</table>
| A     | • Comprehensively covers all key elements of new venture as appropriate for specific business.  
|       | • Provides a highly organized and logical structure to the content that progress one’s argument through the entire video presentation  
|       | • Effectively presents the team’s argument with extensive supporting evidence for the profitability and viability of the business opportunity pursued by the team. | • Composition of video effectively employs multiple creative elements (e.g., close ups, video pans, voice overs)  
|       |                                                                                   | • Overall composition is well organized and fluidly moves from one shot to another.  
|       |                                                                                   | • Projects a highly professional image of the team and the business opportunity (e.g., video/audio quality, composition, speaker appearance/demeanor) |
| B     | • Covers most of the key elements of new venture as appropriate for specific business.  
|       | • Provides a largely organized and logical structure to the content but is not entirely clear in its progression.  
|       | • Presents a reasonably organized argument for the profitability and viability of the business opportunity but does not provide sufficiently convincing evidence to support it. | • Composition of video employs no more than two creative elements (e.g., close ups, video pans, voice overs)  
|       |                                                                                   | • Overall composition is fairly well organized but does not completely move in a smooth fashion from one shot to another.  
|       |                                                                                   | • Projects a somewhat professional image of the team and the business opportunity (e.g., video/audio quality, composition, speaker appearance/demeanor) |
| C     | • Covers a few of the elements of new venture as appropriate for specific business but leaves out some key issues.  
|       | • Provides only a somewhat organized structure to the content but the logic through the presentation is to a certain degree difficult to follow.  
|       | • Less than effectively presents the team’s argument by leaving out key elements of one’s argument or not presenting them in a clear, thought out way. | • Composition of video employs only one creative elements (e.g., close up of speaker, voice overs)  
|       |                                                                                   | • Overall composition is not well organized and moves in a somewhat haphazard way between frames/scenes.  
|       |                                                                                   | • Projects a less than professional image of the team and the business opportunity (e.g., video/audio quality, composition, speaker appearance/demeanor) |

- **Poster Pitch Evaluation:** At the end of the semester, a formal venture pitch and poster session will be organized for the class in the lobby of McClelland Park. This is tentatively scheduled for Tuesday, December 10 from 4:30pm to 6:30pm. Teams will prepare a desktop presentation of their business concept (details to follow) along with collectively preparing and answering a variety of questions by independent judges. These judges will be randomly assigned to the various teams and answer predefined questions of the teams. Teams will be judged based on the completeness and professionism of their visual and oral presentations to the judges. Each team must also prepare a one-page executive summary of their plan which will be provided to each judge prior to the poster/pitch evaluation event. *These summaries are due by Wednesday, December 4 via the Dropbox.*

2. **Case Analyses**

Students are required to write two (2) case analyses from the five (5) cases noted below. These cases cover some of the main elements of the course including founder decisions, business model development and new venture plan integration and idea generation and refinement. There are two due dates for case submissions irrespective of the specific case the student may select. These due dates are noted in D2L. Students must
complete one of the five cases by the first date and a second one of the five on the second date. It is entirely up to the student to select the two cases on which they want to write.

**Case Studies:** The cases below are those from which students must select two to complete the case analyses. Links to the five cases will be provided in D2L.

- **Smartix: Swinging for the Fences** - Vivek Khuller has built Smartix by attracting classmates to co-found it with him, learning how to pitch it to top VC firms and potential strategic partners, and honing the concept and business model by testing it in smaller venues. Now, he is facing the implications of the choices he has made in each of these areas and has to decide how to manage those implications.

- **Alison Barnard** - Alison Barnard, 27, knows shopping, retail, and fashion. As an MBA, working part time in retail, she devises a business plan for a premium denim and tops boutique based on her view that "women are not brand loyal, they are fit loyal." In-Jean-ius, her six-month-old corner shop in Boston's lovely North End, has been exceeding her revenue estimates since day one—largely because Alison has skill and passion to help her upscale clients find just the ‘right’ pair of jeans. As it has from the very beginning, running this hit venture consumes nearly every waking hour. Still, the creative, high-energy founder is far less concerned with burning out than with having her retail store duties usurp her ability to plan and manage for growth. While her plan is to roll out In-Jean-ius stores in major cities like New York, Chicago, LA, that will be critically dependent on her ability to attract and develop management talent with a similarly keen eye for fit. Her latest hire with management potential has just decided to quit, leaving Alison to wonder; if it’s such a challenge to replicate myself at this one location, how am I supposed to scale?

- **Chegg: Textbook Rental Takes Flight** - In late 2010, Silicon Valley-based Chegg, the leading online college textbook rental company, is scaling rapidly. The case recounts Chegg's history from its origins as a distant competitor to Craigslist in college classified listings through a pivot into textbook rental followed by a period of explosive growth. Resulting challenges in scaling warehouse operations, customer service, and information technology are described, along with efforts to professionalize sourcing/pricing and product management functions. The case closes with questions about how Chegg should respond to the pending transition from printed textbooks to electronic textbooks.

- **Moda Operandi: A New Style of Fashion Retailing** – Moda Operandi is a startup in the fashion industry. The firm organizes online trunk shows of designers’ collections, allowing its members to directly order clothes from the collections shown in Fashion Weeks all over the world. Moda Operandi conveys the preorders to the designers and the members receive their clothes six months later. The founders of Moda Operandi - Aslaug Magnusdottir and Lauren Santo Domingo - believe that the firm has the potential to address and eliminate inefficiencies in the fashion industry. While the founders plan to include editorial content on the site, the question is - can Moda Operandi succeed despite removing an essential piece of the fashion industry?

- **Zipcar: Refining the Business Model** - Zipcar is a start-up organized around the idea of "sharing" car usage via a membership organization. This case describes several iterations of the Zipcar business model and financial plan. These iterations include a very early version and a version developed just prior to the launch of the business, as well as data from the first few months of operations. Students are called on to analyze the underlying economics and business model for the venture and to discover how these assumptions are holding up as the business is actually rolled out.

**NOTE:** Unless stated otherwise, all case analyses are to be submitted via Dropbox within the course’s D2L site. There will be two folders; one for cases submitted by the correct due date/time and another folder for late submissions. **EMAILED OR HARD COPY SUBMISSIONS WILL NEITHER BE ACCEPTED NOR GRADED.** Students are responsible for ensuring that submissions are made by the proper due date/time.

**NOTE:** Case write-ups must be single spaced, in a standard font, 11 point minimum, with maximum margins of 0.75 inches on all sides and **MAY NOT EXCEED ONE (1) PAGE.**
**NOTE:** Cases that exceed one page will have two (2) points deducted from their score; cases that are uploaded past the stated deadline will have ten (10) points deducted from their score. Each student is responsible for ensuring that their case successfully is loaded into the appropriate D2L dropbox. Late submissions should be uploaded to the Late Case Submission dropbox folder in D2L.

**NOTE:** All case submissions will be automatically uploaded and assessed by Turnitin.com for plagiarism. Individual student write-ups will be analyzed in comparison to all previous student papers enrolled in the course as well as other papers available on the internet. If a case analysis is shown to be significantly drawn from other papers, students will be subject to the UA Code of Academic Integrity.

### 3. Entrepreneur Book Report/Discussion

Each student will be responsible for selecting, reading and analyzing an autobiography or biography on a leading retail or other related entrepreneur. As entrepreneurship is fundamentally different than building a career in the corporate world, reading about leading entrepreneurs' journeys is a great way to understand this area of business. A list of well-respected biographies/autobiographies on entrepreneurs is presented below. Students are urged to select from this list but if there is another book one would prefer to read, the student must share the title/author with the instructor for approval prior to reading and writing on the book. This assignment is broken into two parts – a written analysis and in-person discussion with the instructor. The written analysis – due date provided in D2L – is limited to two, single-spaced pages. The analysis should address one question – “what is the one most important lesson or insight into entrepreneurship that you drew from this entrepreneur’s journey and why?” Students should draw specifics from the book to explain this lesson or insight. These specifics may include such topics as their inspiration for pursuing entrepreneurship, how they conceived their first product/service, what personal and/or professional barriers did they have to overcome and others. This is not, though, a simple report on the book. Students must not simply outline the book but rather provide reaction about the book’s core lessons.

The second part of this assignment is a required in-person discussion with the instructor about the book and what one took from it. This must be completed PRIOR TO THE LAST DAY OF CLASS. Students should select an appropriate time for this discussion in the regular office-hour signup link available in D2L. As office hours are limited to certain days/times, it is the student's responsibility to schedule a time well in advance of the end of the semester. Discussions will not be scheduled beyond the last day of class unless a previously scheduled time is canceled by the instructor or due to an emergency of the student. If none of the time slots match with a student’s schedule, one must make arrangements with the instructor in advance of the last day of class. Students are strongly urged to complete this assignment well in advance of its due date.

- **Losing My Virginity: How I Survived, Had Fun, and Made a Fortune Doing Business My Way**  
  by Richard Branson  

- **Steve Jobs**  
  by Walter Issacson  

- **Built from Scratch: How a Couple of Regular Guys Grew the Home Depot from Nothing to $30 Billion**  
  by Arthur Blank and Bernie Marcus  

- **Delivering Happiness: A Path to Profits, Passion and Purpose**  
  by Tony Hsieh (Founder of Zappos)  
• *The Mary Kay Way: Timeless Principles from America’s Greatest Woman Entrepreneur*  
  by Mary Kay Ash  

• *By Invitation Only: How We Built Gilt and Changed the Way Millions Shop*  
  by Alexis Maybank and Alexandra Wilkis Wilson  

• *Wild Company: The Untold Story of Banana Republic*  
  by Mel and Patricia Ziegler  
  ISBN-10: 1451683480

• *Start Something That Matters*  
  by Blake Mycoskie (Founder of Tom’s)  

• *Sam Walton: Made In America*  
  by Sam Walton  

• *Hard Drive: Bill Gates and the Making of the Microsoft Empire*  
  by James Wallace  

• *Business As Unusual: My Entrepreneurial Journey, Profits With Principles*  
  by Anita Roddick (Founder of The Body Shop)  

• *Pour Your Heart Into It: How Starbucks Built a Company One Cup at a Time*  
  by Howard Schultz and Dori Jones Yang  

**NOTE:** Unless stated otherwise, all book analyses are to be submitted via Dropbox within the course’s D2L site. There will be two folders; one for analyses submitted by the correct due date/time and another folder for late submissions. **EMAIL OR HARD COPY SUBMISSIONS WILL NEITHER BE ACCEPTED NOR GRADED.** Students are responsible for making sure one’s papers are uploaded by the given times.

**NOTE:** Book analyses write-ups must be single spaced, in a standard font, 11 point minimum, with maximum margins of 0.75 inches on all sides and **MAY NOT EXCEED TWO (2) PAGES.**

**NOTE:** Analyses that exceed two pages will have two (2) points deducted from their score; analyses that are uploaded past the stated deadline will have ten (10) points deducted from their score. Each student is responsible for ensuring that their analyses successfully are loaded into the appropriate D2L dropbox. Late submissions should be uploaded to the Late Case Submission dropbox folder in D2L.

**NOTE:** All submissions will be automatically uploaded and assessed by Turnitin.com for plagiarism. Individual student write-ups will be analyzed in comparison to all previous student papers enrolled in the course as well as other papers available on the internet. **If an analysis is shown to be significantly drawn from other papers, students will be subject to the UA Code of Academic Integrity.**
4. **Founding Principles Essay Test**

There will be one essay-style test that will cover the lecture/discussion regarding founding principles and innovation design and refinement as well as the requisite readings from the Harvard Business School Publishing reading packet (link in D2L). These will cover the basic decisions facing entrepreneurs when starting their company in addition to the challenges of developing and refining one’s initial offering.
Course/University Policies

Attendance: Attendance may be taken daily based either on a signup sheet/list or completion of an in-class activity. Students who have more than three unexcused absences may result in an entire lost letter grade. It is each student’s responsibility to make certain he or she indicates their attendance on the signup sheet but actual attendance is based on being in class for the entire period (e.g., signing the sheet and then immediately leaving is a missed class).

- All holidays or special events observed by organized religions will be honored for those students who show affiliation with that particular religion.
- Absences pre-approved by the UA Dean of Students (or Dean’s designee) will be honored.

Statement of copyrighted materials: Students are advised that all lecture notes, lectures, study guides and other course materials disseminated by the instructor to the students, whether in class or online, are original materials and as such reflect intellectual property of the instructor or author of those works. All readings, study guides, lecture notes and handouts are intended for individual use by the student. Students may not distribute or reproduce these materials for commercial purposes without the express written consent of the instructor. Students who sell or distribute these materials for any use other than their own are in violation of the University’s Intellectual Property Policy (available at http://www.ott.arizona.edu/uploads/ip_policy.pdf). Violations of the instructors copyright may result in course sanctions and violate the Code of Academic Integrity.

Special Needs and Accommodations Statement: Students who need special accommodation or services should contact the Disability Resources Center, 1224 East Lowell Street, Tucson, AZ 85721, (520) 621-3268, FAX (520) 621-9423, email: uadrc@email.arizona.edu, http://drc.arizona.edu/. Students must register and request that the Center or DRC send the instructor an official notification of one’s accommodation needs as soon as possible. Please plan to meet with the instructor by appointment or during office hours to discuss accommodations and how the course requirements and activities may impact one’s ability to fully participate. The need for accommodations must be documented by the appropriate office.

Professional Behavior: The course involves a variety of subjects that may result in the expression of various attitudes, beliefs and opinions. As a result, it is absolutely necessary that these opinions are respected by all students in the class. Any comments directed personally at an individual or group that would be considered offensive or hurtful will not be tolerated. Any student exhibiting this behavior may be subject to university disciplinary procedures.

THE USE OF THE FOLLOWING TECHNOLOGIES ARE NOT ALLOWED IN THE CLASSROOM UNLESS AN ACCOMMODATION IS REQUIRED BY UNIVERSITY POLICY FOR A SPECIFIC STUDENT:

- Computers (unless specifically required for an in-class activity as noted by the instructor)
- Cell Phones (ALL cell phones must be either turned off or put away during class time unless otherwise required in class as determined by the instructor)

In addition, the following behaviors should be avoided:
- Peer conversations with other students during lectures or presentations in the class
- Showing up for class late or leaving early without prior approval by the instructor
- Using any other electronic device (e.g., iPods) or exhibiting other behavior that would disrupt the class in any way.

Academic Dishonesty: Students are encouraged to share intellectual views and discuss freely the principles and applications of course materials. However, graded work/exercises must be the product of independent effort unless otherwise instructed. Students are expected to adhere to the UA Code of Academic Integrity as described in the UA General Catalog. See: http://web.arizona.edu/~dos/uapolicies/cai2.html
**Students w/Disabilities:** If one anticipates issues related to the format or requirements of this course, please meet with the instructor to discuss ways to ensure one's full participation in the course. If it is determined that formal, disability-related accommodations are necessary, it is very important that the student be registered with Disability Resources (621-3268; drc.arizona.edu) and notify the instructor of one's eligibility for reasonable accommodations.

**Subject to Change:** Information contained in the course syllabus, may be subject to change with advance notice, as deemed appropriate by the instructor.