

Entrepreneurship and Innovation: Practical and Academic Insights

Eng-Sci 94

Spring 2025

Monday and Wednesdays:

Section 1: 11:15 AM-12:30 PM (SEC LL2.224) (Kent Bennett and Josh Lerner)

Section 2: 12:45-2:00 PM (SEC LL2.224) (Tom Clay and Leslie Jeng)

This Version: January 25, 2024

Goal of the Class

Entrepreneurship is having an increasingly important impact on the world economy. New ventures, many founded by individuals only a few years out of college, have transformed our lives in many ways, created great wealth, and accelerated social change (for better or worse). Despite its importance, entrepreneurship remains mysterious in many respects, with frequent misconceptions.

This class will explore this exciting territory. It will seek to convey both practical insights about what makes a new venture successful, as well as the current academic knowledge about the new economic actors. To accomplish this, approximately two-thirds of the class will consist of case studies, drawn from the introductory Entrepreneurial Manager class at Harvard Business School. One-quarter of the sessions will be lectures, drawing on published articles (listed below) and two books that will be suggested for different classes:

- Joshua Gans, Erin Scott, and Scott Stern, *Entrepreneurship: A Strategic Approach*, 2022.
- Peter Thiel with Blake Masters, *Zero to One: Notes on Startups, or How to Build the Future*, 2014.

A third book is recommended background reading for students thinking about career issues but not required:

- Reid Hoffman and Ben Casnocha, *The Start-Up of You*, 2022.

Learning Objectives

The students will gain a deeper understanding of entrepreneurship as a phenomenon and the practical steps to ensure the success of new ventures. By the end of the term, students will be able to:

- Identify what makes an attractive entrepreneurial opportunity.
- Understand how the challenge of attracting resources, whether financial or human capital, can be best addressed.
- Appreciate the characteristics that make an individual an effective entrepreneur.
- Analyze the role of new ventures in our economy and their broader social implications.

- Be able to review and analyze business case materials and make decisions based on that information.

These insights will be useful for (a) students interested in eventually working for and founding new ventures, (b) those wanting to undertake research about entrepreneurship, and (c) students anticipating holding jobs that will entail interactions with new ventures (including banking, STEM faculty, and life science and technology industry positions).

Course Materials

There will be three sources of readings:

- Articles will be posted on Canvas and can be read there or downloaded. One book (Gans-Scott-Stern) will also have chapters posted online and need not be purchased.
- The other book (Thiel-Masters) are available on Amazon in Kindle format (<https://www.amazon.com/Zero-One-Notes-Startups-Future-ebook/dp/B00J6YBOFQ>) and hard copy, as well as via Audible. The recommended book can also be found there: <https://www.amazon.com/Start-up-You-Future-Yourself-Transform/dp/0307888908>. They will also be available as course reserves; the links for these can be found on the Library Reserves page of the course's Canvas site.
- Most critically, cases and notes must be purchased from Harvard (!). The course package, which includes all cases and notes except one (which, as noted below, will be posted on Canvas), is posted at <https://hbsp.harvard.edu/import/1240632>. We will post the first two weeks' cases on Canvas to ensure “shoppers” have a chance to participate in the class.

Assignments and Grading

This is not a “lab” class but rather structured pedagogy in the same way that one would learn Spanish or physics. Thus, preparation for and participation in class will be extremely important.

There will be five expectations of students in the class:

- Preparing the class, particularly the case studies, in advance, and participating actively in the discussions. We will follow the norms of the HBS classroom: students will be expected to be on time, to have read the material in advance and to contribute actively.
- Undertaking three write-ups of approximately three-to-four double-spaced pages on three case studies (Zipcar, Baroo, and Pear.vc). These must be submitted by 11:14 am ET on the day class where the item will be discussed (February 19th, March 5th, and April 9th). The write-ups should not just summarize the case but voice an opinion and/or recommendation about the case situation.
- A final reflection on at least one key issue in the class and (if you wish) their applicability to yourself, which should be in the form of a single (or, if necessary, two) PowerPoint slide(s). These should be submitted by **10:00PM ET on April 29th**.
- A one-to-two paragraph final project proposal, due on April 16th.
- A final project of approximately 15-20 pages, **due on Sunday, May 4th at 11:59 PM ET**. This can consist of a traditional academic analysis, a paper proposal that describes an

analysis that you would like to undertake, a case-like analysis of a real life situation, or a business plan for a new venture. Status reports on at least some of these projects will be presented during the final week of the class.

Grading will be based equally on these three elements using an “HBS style” curve (20% top grade; 70% next grade; and 10% next grade) .

Section Meetings

We will have four section meetings over the course of the semester, which will meet at various times. We will do a sign-up for sections in the 2nd week of the semester.

The section meetings will be at the set times during the weeks of February 10th, March 3rd, March 24th, and April 14th. The teaching fellows will be:

Ali Amin: aamin@mba2025.hbs.edu
Sofia Cagliero: sofiacagliero@college.harvard.edu (lead TF)
Ricky Cordova: rcordova@mba2025.hbs.edu
Giovanni D'Antonio: giovannidantonio@college.harvard.edu
Elissa Day: eday@g.harvard.edu (course assistant)
Daniel Feist: danielfeist@g.harvard.edu (preceptor)
Mar Grech: margrech@college.harvard.edu
Swen Koller: skoller@g.harvard.edu
Sahar Maisha: smaisha@college.harvard.edu
Adhitya Raghavan: araghavan@mba2025.hbs.edu
Christina Vosbikian: cvosbikian@mba2025.hbs.edu

Priority will be given to freshmen and sophomores in Sofia's, Giovanni's, Sahar's, and Mar's sections.

The Instructors

Kent Bennett
Kent.bennett@gmail.com
Office hours by appointment

Tom Clay
781-492-0615
tclay@hbs.edu (best way to reach)
Office hours by appointment

Josh Lerner
617-495-6065
josh@hbs.edu (best way to reach)
Office hours by appointment

Leslie Jeng
ljeng@hbs.edu
Office hours by appointment

Other Key Individuals

Doug Levin and Richard Vieira are our “HBS Executive Fellows and Lecturers.” They will be involved in teaching several classes, as well as available to provide advice to students on businesses and other issues. They can be reached as follows:

Doug Levin
617-512-1849
dlevin@hbs.edu (best way to reach)
Office hours by appointment

Richard Vieira
617-851-3024
rvieira@hbs.edu (best way to reach)
Office hours by appointment

The course assistant, Elissa Day (eday@g.harvard.edu) will handle all questions about class cards (e.g., misspellings, lost cards, and arrange for office hours for the instructors).

Class Outline

Introduction

Class 1: Course Introduction

Monday 1/27

The opening lecture seeks to motivate the study of entrepreneurship, documenting its importance in the U.S. and global economy. It also highlights some key facts about new businesses and visits the debate about whether entrepreneurship in the developed economies is waning.

ARTICLE:

Hurst, Erik, and Benjamin Pugsley, 2011, What do small businesses do?, *Brookings Papers on Economic Activity* 2, 73-118.

BOOKS: Thiel book: pp. 5-11, 107-117 (ch. 1, 9).

Class 2: Dr. John's Products, Ltd.

Wednesday 1/29

Dr. John's Products Ltd. follows the issues confronting CEO John Osher, a serial entrepreneur, and his small management team as they seek to exploit the initial success of a new, low price, battery operated toothbrush. Less than two years after launching the business in 1998, the company was already selling over 6,000 units per day. Osher had done (yet again) all the things that many entrepreneurs do: developed a product (in fits and starts), found customers, raised capital, and built a small team. Now, with the rapid sales garnering the attention of Procter & Gamble's Crest and other large players, Osher faced another set of decisions that many entrepreneurs face, too. Should he partner in some way with P&G? Should he sell the company to them or someone else? Or should he seek to scale Dr. John's into a company that churned out innovative products? Osher had started so many companies, he'd even compiled a list of sixteen mistakes entrepreneurs didn't have to make. How did he make sure he didn't commit one more to add?

CASE: Dr. John's Products Ltd.

NOTE: An (Abbreviated) Perspective on Entrepreneurship

BOOK: Gans, et al., chap. 2.

1. What does John Osher bring to this opportunity from his personal and professional background? Also, to the extent that he is, what makes him an 'entrepreneur'?
2. What is required to pursue the opportunity Osher has identified with SpinBrush? What can go right? What can go wrong? What are the key elements of the business model that Osher constructed?
3. What are the relevant economics for this venture? What annual sales volume is required for Dr. John's Products to achieve break even?
 - o In estimating SpinBrush's profitability, assume an average retail selling price per unit of \$6 and that retailers enjoy a 50% gross margin on the product. Assume that

Spinbrush's cost of goods sold is 50% of revenue. Assume that the fully loaded, annual cost of Spinbrush's nine employees is \$1.25 million, and \$500K in other overhead expenses.

4. What should Osher and his colleagues do about the options outlined in the case: build the enterprise, ally with a major incumbent oral care competitor, or sell?

Module 1a: Developing and Testing the Business Model

Class 3: Rent the Runway

Monday 2/3

In January 2010, Jennifer Hyman and Jennifer Fleiss, co-founders of Manhattan-based Rent the Runway (RTR), were debating their next moves. RTR was a website that rented designer dresses. Just two months after its launch, RTR had attracted more than 150,000 members. With their November launch and the holiday crunch behind them, the co-founders faced a big decision: Should RTR raise another funding round, well ahead of schedule? Fleiss and Hyman had planned to grow RTR at a measured pace during 2010 while pursuing operational improvements that would move the company toward cash flow breakeven. Was the data and feedback from early customers, however, evidence that there was such a strong fit between their product and the demands of the market that they should grow faster, increasing their inventory more rapidly and even extending their product range?

CASE: Rent the Runway

NOTE: Hypothesis-Driven Entrepreneurial Management

NOTE: Business Model Analysis of Startups

BOOK : Gans, et al., chap. 3.

1. Consider the timeline of decisions and actions undertaken by Rent the Runway's co-founders.
 - Pay particular attention to:
 - How they structured the founding team and the extended management team
 - How they pursued discussions with designers
 - How they conducted multiple trunk shows
 - Their decision to launch the service in December
 - Do you agree with the decision to pursue each action? Which actions were important in validating business model hypotheses and refining the concept? Can you suggest different actions that the cofounders should have taken?
2. Which variable is the most important driver of profitability? How does it impact the business model? What additional tests would you recommend to validate your hypothesis?
3. As the case ends in January 2010, the cofounders are considering whether to: (1) stick with their original plan to pursue operational improvements in 2010 before raising more capital in early 2011; or (2) accelerate fundraising to expand inventory and product range, enabling RTR to serve a broader set of customer segments and usage occasions. What would you do about this decision?

Class 4: Biobot

Wednesday 2/5

Newsha Ghaeli and Mariana Matus have developed a novel set of ideas while at MIT and are eager to turn them into a business. Their problems are in some senses very similar to John Osher's, but in other ways very different.

CASE: Biobot

1. What is new about what they are trying to do? How did they go about exploring and developing their idea? What mistakes did they make? How helpful were their faculty advisors?
2. Who is the customer here? What is the product?
3. Why is the fact that there is little patentable intellectual property here a major challenge?
4. What would you recommend to them as next steps?

Class 5: How do entrepreneurs protect ideas?

Monday 2/10

Class Guest: Alex Civetta (Mintz) and Ariel Soiffer (WilmerHale)

One of the central challenges of entrepreneurs is to access resources (funding, people, etc.) while protecting one's idea. Too much disclosure can lead to rapid imitation, which can be disastrous. This lecture looks at the tools entrepreneurs use.

ARTICLE:

Gallini, Nancy T., 2002, The economics of patents: Lessons from recent U.S. patent reform, *Journal of Economic Perspectives*, 16: 2, 131-154.

NOTE: Intellectual Property and Strategy

BOOKS: Thiel book: pp. 93-106 (ch. 8).

Class 6: CodeAcademy

Wednesday 2/12

Class Guest: Kunal Ahuja

CodeAcademy, a platform for learning computer programming, had raised \$12.5 million and was by some measures a spectacular success. But three years after its founding, there were still no revenues. The founders had to grapple with the question of addressing this concern.

CASE: CodeAcademy

1. What is new about what CodeAcademy is trying to do? How did they go about exploring and developing their idea?
2. Is it the right time for them to begin to think about monetizing their product? How do we think about the timing of monetization question more generally?
3. If they are to start monetizing CodeAcademy, what experiments can they to determine the best strategy? Or is it time to concentrate in one particular model?

Module 1b: Refining the Business Model

Class 7: Zipcar: Refining the Business Model

Wednesday 2/19

THIS CASE IS THE FIRST WRITE-UP; DUE AT TIME OF CLASS

In October 2000, Robin Chase was analyzing Zipcar's early customer and operating data. Chase was CEO and cofounder of the company, which she and Antje Danielson had started some 10 months before. The idea behind Zipcar—a form of car sharing—was simple, yet potentially revolutionary. Chase and Danielson had conducted some initial research during late 1999, and by the end of that year, the two had developed a business plan. By October, the fledgling company had 19 vehicles, nearly 250 members, and the founders had raised—and spent—an additional \$325,000 to fund the early stages of operations. The September operating data was in, and Chase had to decide what to make of it so she could craft a convincing case for potential investors, and especially for her team, about what moves the company should make next.

CASE: Zipcar: Refining the Business Model

NOTE: The Choice to Cofound and Initial Control and Ownership Splits in Startups

1. How have the founders of Zipcar positioned the new service? Create a positioning statement based on their description of the Zipcar service. Be sure to describe the key point of competitive differentiation)
2. What key decisions about the service did Robin Chase make based on Zipcar's positioning? What assumptions about customer behavior did she make in her forecast in Exhibit 5? What do the data from actual operations in September say about how the business model is playing out in practice?
3. What actions should Chase take because of the September operating results?
4. What is the most important root cause for Zipcar's deviation from the plan and what should Chase do about this challenge?

Class 8: Yinglan Tan

Monday 2/24

Guest: Yinglan Tan

Yinglan Tan in 2022 was considering the future of his young venture capital firm, established in 2017. The venture capital market in Southeast Asia had grown rapidly. But entrepreneurship in this part of the world was very different. This class will consider entrepreneurship around the globe and how it differs from that in the U.S.

CASE: Yinglan Tan: Scaling a Venture Capital Firm in Southeast Asia

1. How is entrepreneurship in Southeast Asia different from that in Silicon Valley or Boston? Why?

2. If you were selecting good firms in this region, would you use the same criteria as in the United States? What would you look for differently?
3. Where do see the great opportunities in this and other emerging markets going forward?

Class 9: Where do Ideas Come From?

Wednesday 2/26

Class Guests: Aman Narang and Steve Fredette

One of the ongoing debates among both academics and practitioners is the extent to which the success of new ventures is driven by the entrepreneurs themselves, or the focus of the business itself. This class will visit the research about this important issue.

ARTICLES:

Bernstein, Shai, Arthur Korteweg, and Kevin Laws, 2017, Attracting early stage investors: Evidence from a randomized field experiment, *Journal of Finance*, 79:2, 509-538.

Bhide, Amar, 2000, *The Origin and Evolution of New Business*, New York: Oxford University Press, pp. 196-205.

Kaplan, Steven, Berk Sensoy, and Per Strömberg, 2009, Should investors bet on the jockey or the horse: Evidence from the evolution of firms from early business plans to public companies, *Journal of Finance* 64:1, 75-115.

BOOKS: Thiel book: pp. 44-58 (ch. 5).

BOOK : Gans, et al., chap. 4.

Class 10: Poppy: A Modern Village for Childcare

Monday 3/3

Class guest: Avni Patel Thompson

Richard Vieira to teach both sections

In 2017, management at Poppy, which matched families that required occasional childcare with thoroughly vetted caregivers, was formulating plans for the Seattle-based seed-stage startup's next phase of expansion. One option was to grow using the same business model through geographic expansion to cities beyond Seattle. Another option was to deepen penetration within Seattle by recruiting caregivers with less experience and by broadening the range of services caregivers could provide, e.g., driving children to appointments.

CASE: Poppy

1. Assess Poppy's original business model? What was promising and problematic?
2. What should Thompson and her team have been doing differently to avoid or mitigate these problems?
3. Should Poppy continue to focus on building scale and launching new services in Seattle, or expand into new markets?

Class 11: Baroo

Wednesday 3/5

Class Guest: Lindsey Hyde

THIS CASE IS THE SECOND WRITE-UP; DUE AT TIME OF CLASS

Baroo CEO Lindsay Hyde was facing unrest from the board of her pet services startup in August 2017. One board member (and lead investor) was alarmed that Baroo's growth was slowing while it's appetite for funding was accelerating. Hyde wanted to hit the gas and continue expanding to new cities, which meant she needed to raise venture capital.

CASE: Baroo

1. Has Baroo achieved product market fit? If so, what are the remaining issues?
2. Was Ted Lowe's reaction at the board meeting reasonable? What (if anything) did Hyde do wrong?
3. How could Hyde convince the board and potential investors that the business opportunities were too good to pass up and an infusion of capital could help her steer Baroo through the speed bumps?

Class 12: Entrepreneurial sales: Getting the first customers

Monday 3/10

Class Guests: John Kawola

Lou Shipley

Greg Schwartz

Getting customers is a critical part of entrepreneurial success. Many students believe there is a single formula for sales success. The answer, however, is more complex. This session will visit this challenging—but critical—area.

NOTES: Airbnb, Etsy, Uber: Acquiring the First Thousand Customers
What Entrepreneurs Get Wrong

We will undertake a panel discussion of these complex issues. Please come to class with your own questions about sales and customers.

Class 13: What makes entrepreneurial teams successful?

Wednesday 3/12

Class guest: Randy Goldberg

The characteristics of successful entrepreneurs and teams have attracted attention from economists, psychologists, and venture capitalists, among others. This session will focus on some of the key insights into the characteristics of entrepreneurs and the drivers of their success.

ARTICLE:

Wasserman, Noam, 2012, *The Founder's Dilemmas: Anticipating and Avoiding the Pitfalls That Can Sink a Startup*, Princeton, Princeton University Press, chapters 1 and 2.

BOOKS: Thiel book: pp. 118-125; 173-189 (ch. 10, 14).

Gans, et al., chap. 7.

NOTE: We will also spend a few minutes on the final project.

Module 2: Financing the venture

Class 14: Who provides money to entrepreneurs?

Monday 3/24

**Class Guests: Patrick Chung
Doug Levin
Richard Vieira**

Angel investors and venture capitalists are somewhat shadowy players, which can make or break a new venture. This session will explore how these investments are structured and the strengths and weaknesses of the various options.

ARTICLES:

Gompers, Paul A., and Josh Lerner. 2001. The venture capital revolution, *Journal of Economic Perspectives*, 15:2, 145-168

Lerner, Josh, and Ramana Nanda. 2020. Venture capital's role in financing innovation: What we know and how much we still need to learn, *Journal of Economic Perspectives*, 34:3, 237-61.

BOOK: Thiel book: 82-92 (ch. 7).

Class 15: Bow and Drape

Wednesday 3/26

Class guest: Aubrie Pagano

If a Serena Williams endorsement doesn't equal Product-Market Fit, what does? Bow & Drape features the journey of Aubrie Pagano, a fashion entrepreneur whose initial vision around customized dresses evolves, after a series of pivots, into customized sweatshirts. The case navigates Pagano's customer-discovery efforts, market tests, brand evolution, and goals for the venture. We will use this case to examine the process of interpreting initial experiments, sales data, and pivots in service of answering the all-important question: "How do we know when we've achieved product-market fit?"

CASE: Bow and Drape (case not in course package, but posted on Canvas)

1. What do you think of the original idea for Bow and Drape? What's your evaluation of the work Aubrie did to validate it?
2. Was the Kickstarter campaign a good test of product-market fit?
3. Does Aubrie take too long to pivot to a new business model? Should she have not shifted her approach?
4. Where should she go from here?

Class 16: Simple Case 1

Monday 3/31

Details to be provided on the class platform.

Class 17: Simple Case 2

Wednesday 4/2

Details to be provided on the class platform.

Class 18: First Aid Beauty

Monday 4/7

First Aid Beauty (FAB) is a skincare brand started in 2008 by Lilli Gordon, an experienced financial and skincare entrepreneur. FAB found a white space in the prestigious beauty market by filling a need for high-end skin solutions that were non-irritating and suitable for sensitive and reactive skin types. FAB secured early distribution through Sephora, a specialty retailer of beauty and cosmetics, and QVC, the online shopping network, but soon there were bumps in the road. FAB's growth began to slow down in 2012, prompting Sephora to challenge the company to either move the needle or lose distribution. CEO Lilli Gordon reacted quickly, raising another round to fund an advertising campaign and at the same time, selling her house and buying a condo. The gamble paid off and soon, FAB sales were experiencing strong year-over-year growth. The company was doing well, but Gordon would need an extended line of credit to fund growth and was incredibly reliant on two customers. FAB's momentum in the U.S. markets sparked the attention of venture capital and private equity firms. Gordon went on a flurry of meetings and eventually received two term sheets to buy out shares of existing shareholders. Gordon had to decide whether the company should take one of the two term sheets, raise new money to fund the company's operations, or just continue to grow without new investors.

CASE: First Aid Beauty

1. Describe the First Aid Beauty business model – customer-value proposition, go to market, tech-ops, and unit economics. What are its strengths and its risks?
2. Does First Aid Beauty need to raise capital? What were the working capital requirements of the year just completed (March 2014 – March 2015)? Given the projections, will First Aid Beauty need outside sources of financing for business operations over the next several years? What are Lilli Gordon's options for funding any cash needs of the business?
3. Which term sheet, if any, should Lilli Gordon accept? Make a case for either Term Sheet A, Term Sheet B, or not taking any investor. What components of the deal give you concern and would require further negotiation?

Class 19: Pear.vc

Wednesday 4/9

Class Guest: Keith Bender

THIS CASE IS THE THIRD WRITE-UP; DUE AT TIME OF CLASS

On a Sunday morning in June 2021, Keith Bender brewed coffee and brought a mug into his home office. The Pear team met to review their investment pipeline every Monday morning, and investors emailed interesting start-up ideas to each other by 5 pm every Sunday. As Bender re-read through that week's many emails and pitch decks, he narrowed down his list to three

companies. Conscious of consuming too much airtime at the Pear Monday meetings, he recommended one business plan each week. So, he wanted to narrow his list to a single finalist. But which one? Choosing was particularly challenging that Sunday

CASE: Pear Venture Capital

1. Which business plan should Keith recommend?

Class 20: Lovepop

Monday 4/14

Doug Levin to teach both sections

On May 11, 2015, less than three weeks before their graduation from HBS, Wombi Rose and John Wise sat in a Toyota Tundra pickup truck behind Boston's South Station, where their company, Lovepop, sold three-dimensional (3D) paper art cards at a small retail kiosk. After working feverishly for 16 months, bootstrapping operations with their own savings and a few loans, the founders had in late April attracted seed funding offers from two different investors. Now they faced a decision: which offer to accept? Seated side-by-side in the parked vehicle, the friends and business partners debated the merits of the two offers. One was from Techstars Boston, a start-up accelerator that would provide three months of mentoring, networking, and exposure to prominent investors. In return for that support and \$18,000 in cash, Techstars wanted 6% equity. In addition, Techstars had indicated that Lovepop was also eligible for a \$100,000 convertible note and that moreover, they would help the founders secure any additional funds they needed prior to an institutional round of funding. The second offer was from California incubator Founder.org, which had offered a \$300,000 convertible note. Both investors wanted an answer by the next day. It was now 3 p.m.

CASE: Lovepop

NOTE: Convertible Notes in Seed Financings

1. Which of the two deals (or neither) should Rose and Wise accept? Why?
2. Why have entities like Techstars and YC emerged in the funding ecosystem? What role do they play compared to that played by traditional venture capital firms in the 1990s and today? For which entrepreneurs do they make most sense?

Class 21: Gold Rush Vinyl

Wednesday 4/16

ONE-TO-TWO PARAGRAPH PAPER PROPOSAL DUE

Caren Kelleher has just discovered that the construction of her vinyl record pressing factory will come in substantially overbudget. With a substantial loan with a personally guarantee already in place, she is contemplating how to complete the project.

CASE: Gold Rush Vinyl

NOTE: The Cash Flow Curve in Startups (9-020-091)

1. What are the plusses and minuses on relaying on debt financing? Why is the Small Business Administration involved with the loan, rather than just Wells Fargo?
2. How concerned are you about the funding gap that Kelleher faces at the end of the case? Is this a normal hiccup in the early stages of company building or a bad sign that Kelleher might not be the right person for this opportunity?
3. Which of the funding partners detailed at the end of the case should Kelleher pursue? How likely is it that she'll be able to obtain the financial resources she needs to launch Gold Rush Vinyl?
4. Is there a cheaper / faster way to launch Gold Rush with only the resources she's currently obtained?

Module 3: Scaling

Class 22: Mark43

Monday 4/21

Scott Crouch and the team at Mark43 had barely finished rolling out their new police records management system in Washington, D.C. in late summer 2015, when the prospect of an even bigger customer surfaced: the Los Angeles Police Department. A Request for Proposal for a new "RMS" in L.A. would hit the street soon, and for whatever firm won it, it would mean major credibility and major cash. For Mark43, the startup that Crouch had co-founded with his classmates at Harvard in 2012, those were two assets they could leverage, as they looked to expand rapidly in the policing space and then, more broadly. But what else would going after the L.A. deal entail? Did Mark43 have the resources it took to bid, and to win? And if they did, how would L.A.'s requirements impact Mark43's aim to build a scalable solution they could sell worldwide?

CASE: Mark43

1. What were the attributes of an ideal first customer for Mark43? How well did the Washington DC Metropolitan Police Department fit that profile?
2. In Nov. 2015 as the case ends, what criteria should Mark43 use to prioritize leads? How well does LAPD fit those criteria?
3. Should Mark43 bid on LAPD RFP? Does your answer depend on whether BigFour is willing to partner with Mark43?
4. What sales and marketing capabilities should Mark43 be building at this stage? What background would you recommend for sales reps? Should Mark43 hire a sales leader now? If so, what background should this individual have?

Class 23: Scaling Nextdoor

Wednesday 4/23

Guest: Sarah Leary

Doug Levin to tech both sections

Nextdoor, striving to solidify its position as the leading global social media platform for neighborhoods, worked to scale audience, geography, and revenue. No social platform had

succeeded in unlocking the full potential of a local social network, not to mention their commercial value. Nextdoor, the founders felt, was poised to do exactly that. It had already massively scaled its audiences across U.S. neighborhoods. Success would be crucial to justifying Nextdoor's unicorn valuation, No social platform had succeeded in unlocking the full potential of a local social network, not to mention their commercial value. Nextdoor, they felt, was poised to do exactly that. It had already massively scaled its audiences across U.S. neighborhoods. Now the goal was to scale geography, engagement, and monetization. Success would be crucial to justifying Nextdoor's unicorn valuation, and to the founders' objective to build a preeminent online local platform committed to creating positive social change and long-term value. and to the founders' objective to build a preeminent online local platform committed to creating positive social change and long-term value.

CASE: Scaling Nextdoor

1. What has been the strategy of Nextdoor to date? What has and has not worked?
2. What "proof points" would VCs need to see for them to invest again in the company?
3. Where should Nextdoor prioritize its scaling efforts?

Class 24: Khan Academy

Monday 4/28

Richard Vieira to teach both sections

Khan Academy, an education non-profit, has decided to launch Khanmigo, a GPT-based personal tutor to accelerate learning. Khanmigo will be available to learners to ask questions, engage in Socratic method dialogues, and offer suggestions to help learners achieve greater understanding. But the new launch poses challenges, not just for the new initiative, but for the non-profit as a whole.

CASE: Khanmigo

1. What are the major opportunities and risks that generative AI poses for Khan Academy's traditional business model?
2. A major challenge for Khan Academy and the Khanmigo team is the go to market strategy. Who decides whether to use Khanmigo? How can Khanmigo gain traction with learners, parents, teachers, and districts? How should they prioritize decision makers and markets?
3. We have highlighted the challenges with scaling entrepreneurial ventures. How effectively has Sal made his decisions about scaling the venture?
4. Khan Academy operates as non-profit. The organization has almost 200 employees with an annual budget over \$60 million, most of which is provided by philanthropists. To develop and introduce Khanmigo, Khan Academy will need to hire numerous experts and support potentially millions of individual users and teachers around the world. Can they get access to the human and financial resources they will need to succeed as a non-profit venture?

Class 25: Student presentations of projects

Wednesday 4/30

FINAL REFLECTION DUE BY 10:00PM on April 29th

Five presentations of projects-in-progress, with some final words, based on the wrap-up reflections you send along.