University of California at Santa Barbara

Bren School of Environmental Science and Management

New Venture Opportunity Analysis
ESM 256B, Winter 2014

Class: MW 2:30-3:45 pm (EXCEPT 1/6/13 and 1/13/13, when class meets from 2:30-5:00 pm)
(Bren Hall 1414)

Module 1 | Module 2 | Module 3
---------|---------|---------
Instructor | Trish Holden | Kelly Summers | Craig Cummings
Office | Bren 3508 | Bren 3406 | Bren 3406
Office Phone | (805) 893-3195 | (805) 452-3541 | (858) 229-6604
Email | holden@bren.ucsb.edu | kelly.summers@mac.com | craigcummings@gmail.com

Course Description
ESM 256B is an introductory course on entrepreneurship for students interested in launching a new product or service that offers an environmental and/or social benefit. This course is about developing the analytical and conceptual skills required to assess the potential for a new environmental venture (i.e., an Eco-E Opportunity). The Eco-E opportunity analysis process involves identifying, evaluating and determining whether or not to pursue an opportunity. In addition, the process includes analyzing whether or not the opportunity will result in an environmental and/or social benefit.

Working on a team, students will generate an idea, identify and define a market opportunity, and perform an assessment of whether their new venture concept represents an Eco-E Opportunity and whether it should be pursued. Topics covered include: idea generation, industry analysis, opportunity recognition, concept development, market definition, customer discovery, competitive analysis and business model development.

Learning Objectives
- Learn to identify, develop and evaluate potential Eco-E opportunities.
- Acquire skills for researching and analyzing key industry, market, competitor and customer information, gathering data from both primary and secondary sources.
- Develop analytical and critical thinking skills through the process of completing an opportunity assessment for launching a new product or service.
- Build a compelling case to prove that your concept is a viable Eco-E Opportunity, through a written analysis and oral presentation before a panel of judges comprised of entrepreneurs and investors from the local business community.

Required Reading
Harvard Cases
Cases are listed in the schedule below. See course entitled “New Venture Opportunity Analysis (ESM 256B, Winter 2014)” on Harvard Business Publishing site at:

https://cb.hbsp.harvard.edu/cbmp/access/23120019
All the cases are listed under the Harvard course entitled “New Venture Opportunity Analysis (ESM 256B, Winter 2014).” Each Harvard Case costs $3.95. The total approximate cost for the coursepack is $39.50 (paid directly to Harvard Business Publishing).

All other required reading will be made available via download on GauchoSpace.

**Optional Reading**
*Four Steps to the Epiphany, Steve Blank.*
Use the link below to access a special student discount through Amazon. The cost of this textbook is $19.95 with the discount. Note: Must be ordered from a .edu email address and/or shipped to an educational institution. [http://www.stevenblank.com/books.html](http://www.stevenblank.com/books.html)

**Attendance and Participation**
Students are expected to attend every class. The participation portion of the grade is 300 points. Participation is evaluated in a number of ways. Obviously, participation is correlated with attendance. It is impossible to earn participation points if a student is not in class. Students remain responsible for submitting work due even if absent. Students should e-mail the instructor prior to any missed class. Students remain responsible for the material covered and assignments given during an absence and are to discern this information from their peers.

Attendance at all class sessions is critical to the learning process and the participation component of the course. Entrepreneurship is a collaborative and interactive process. Entrepreneurs find opportunities, adapt, and improve themselves by listening and learning from others. Please come to class prepared to participate in the day’s activities.

**Confidentiality Policy**
Throughout the Eco-Entrepreneurship program, students will be exposed to proprietary information from other students, guest lecturers and faculty. All such information is to be treated as confidential. By enrolling in and taking part in the Eco-Entrepreneurship program's classes and activities, students agree not to disclose this information to any third parties without specific written permission from students, guest lecturers or faculty, as applicable. Students further agree not to utilize any such proprietary information for their own personal commercial advantage or for the commercial advantage of any third party.

In addition, students agree that any legal or consulting advice provided without direct fee and in an academic setting will not be relied upon without the enlisted opinion of an outside attorney or consultant, in each case without affiliation to the Eco-Entrepreneurship program.

Receipt of this policy and registration in this class is evidence that you understand this policy and will abide by it.

**Assignments and Grading**
All assignments must be turned in on time. Assignments will be submitted in soft copy format on Gauchospace, unless otherwise instructed.

All assignments submitted on Gauchospace should use the following file format:

**Team Assignment**

(assignment name)_(team name)

*Example: Eco-E Concept Proposal_Green Gauchos*

**Individual Assignment**

(assignment name)_(last name)

*Example: Peer Evaluation_Cotter*

The deadline is at the beginning of class (i.e., 1:00 pm) on the due date listed for each assignment, unless otherwise instructed. Assignments submitted after the deadline but within 24 hours will lose 5% of the total points; after that, an additional 5% for each day that the assignment is late.

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<thead>
<tr>
<th>Participation</th>
<th>Individual Contribution</th>
<th>Team Contribution</th>
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<tbody>
<tr>
<td>Attendance</td>
<td>200 points (10%)</td>
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<tr>
<td>In-Class Discussions &amp; Exercises</td>
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<tr>
<td>Pitches &amp; Presentations</td>
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<tr>
<td>Background/Literature Review Due</td>
<td>200 points (10%)</td>
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<tr>
<td>Eco-E Opportunity Concept Proposal and Presentation</td>
<td>100 points (5%)</td>
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<tr>
<td>Team Partnership Agreement</td>
<td>100 points (5%)</td>
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<tr>
<td>Eco-E Opportunity Analysis Project:</td>
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<tr>
<td>Sprint #1 Presentation</td>
<td>200 points (10%)</td>
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<td>Sprint #2 Presentation</td>
<td>300 points (15%)</td>
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<td>Sprint #3 Presentation (Final Presentation)</td>
<td>400 points (20%)</td>
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<tr>
<td>Written Analysis</td>
<td>400 points (20%)</td>
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<tr>
<td>Individual Contribution to Eco-E Opportunity Analysis Project, Based on Peer Evaluation</td>
<td>100 points (5%)</td>
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<td></td>
<td>500 points (25%)</td>
<td>1,500 points (75%)</td>
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**TOTAL** 2,000 points (100%)

**Description of Course Assignments**

**Background/Literature Review**

You should find out what is known about the environmental problem that you would like to address.

You need to locate materials already written about the specific problem and its location or other context, including agency, industry, and consultants' reports, which will often lead you to critical datasets and useful scientific literature. You will also need to initiate a strategic search for technical literature (journals,
books, electronic resources) describing and explaining the problem and methods for studying it. What is already known in general about natural and social processes involved in the problem?

Your paper should include an environmental problem analysis that addresses the following questions:

- What is the environmental problem you hope to address?
- What causes this environmental problem?
- Who is affected by this problem?
- How big is this problem?
- What are the uncertainties/unknowns?

A soft copy must be uploaded onto GauchoSpace by 2:30 PM on 1/20/14.

**Eco-E Opportunity Concept Proposal**

The purpose of this assignment is to focus your team on a clear and compelling concept for your initial Eco-E Opportunity hypothesis (customer problem, environmental problem and proposed solution). Consider the Eco-E Opportunity Canvas elements, when drafting this proposal. In no more than one single-spaced page:

- Discuss the opportunity by presenting your concept statement addressing all three Eco-E elements (no more than a couple of sentences).
- Provide elaboration on the concept and justify it based on your initial industry/market analysis and customer research. Be sure to cite sources where required (e.g., industry statistics).
- Describe the fundamental environmental problem that would be addressed by your proposed solution.

A soft copy must be uploaded onto GauchoSpace before class on 2/3/14.

**Eco-E Opportunity Concept Presentation**

The purpose of this assignment is to present your initial Eco-E Opportunity concept to your classmates in order to receive peer feedback on your proposed idea. For this assignment, you will create five (5) PowerPoint slides, as follows:

1. Team – List the name of your project team with all the team members
2. Eco-E Opportunity Concept (Overview)
3. Core Customer Problem Hypothesis
4. Solution Hypothesis
5. Environmental Problem Hypothesis

The presentation will be followed by 5-10 minutes of class discussion, providing your team with feedback.

A soft copy must be uploaded onto GauchoSpace before class on 2/3/14.

**Team Partnership Agreement**

Each team will prepare a 1-2-page partnership agreement detailing the following: (1) Names of partners; (2) Purpose of the partnership; (3) Inception date of partnership and termination date; (4) General areas of responsibility for each of the partners; (5) Dissolution of the partnership; (6) Arbitration in the event of disagreement. An example will be posted on GauchoSpace and discussed in class prior to the due date on 2/10/14.

**Eco-E Opportunity Project**

Working on a team, students will demonstrate their ability to perform customer discovery research and analyze a potential Eco-E opportunity. Eco-E Opportunity Teams will be comprised of two to five people. During the quarter, teams will conduct customer discovery research, perform industry/market analysis, research the environmental problem and present results-to-date in three “sprints,” as follows:
The goal of each sprint is to “get out of the building” and talk to 10-15 customers and/or industry experts face-to-face, in order to discover evidence for the following:

- a customer problem exists;
- a proposed solution that solves this problem for an identifiable group of customers/users;
- the market is accessible and potentially large enough that a viable business might be built; and
- the proposed solution can help solve an environmental problem.

For the environmental problem analysis, teams will research and analyze the environmental problem, policy and solutions. Additionally, teams will research and analyze the macro environment to provide supporting context for developing a business model based on the Eco-E Opportunity.

Opportunity Analysis Project – Final Presentation
Each team will be asked to do a presentation of their opportunity analysis. The presentations will be judged by a panel of experts (investors, entrepreneurs). Specific guidelines for the presentations will be posted on GauchoSpace and discussed in class. The Presentation will account for 20% of your grade (max. 400 points). These points will be the same for each team member.

In addition, 5% of your grade (max. 100 points) will depend on your individual contribution to the team, as evaluated by your teammates. An evaluation form will be completed during the last week of class to provide these peer evaluations.

Opportunity Analysis Project – Written Analysis
This is the major project for the class and will demonstrate your ability to conceptualize and analyze your Eco-E Opportunity. The project will be conducted in teams of three to five students. A separate document regarding the details of the final project and the grading sheet will be posted on GauchoSpace. The Written Assessment will account for 20% of your grade (max. 400 points). These points will be the same for each team member.
## New Venture Opportunity Analysis (ESM 256B, Winter 2014) – Course Schedule

### Module 1 – The Environmental Problem

<table>
<thead>
<tr>
<th>Session</th>
<th>Class Date</th>
<th>Class Topic</th>
<th>Deliverables</th>
<th>Readings</th>
</tr>
</thead>
</table>
| 1       | Mon 1/6/14 2:30-5:00 PM | Overview of Background/Literature Reviews  
- Big Picture (Problem)  
- What’s Known  
- What’s Not Known  
- Why It Should Be Known/Done  
- Benefits  
**Approaches to Background/Literature Reviews**  
- Discuss sample background/literature reviews assigned  
- Students will present their ideas for environmental problems that they would like to potentially address through an Eco-E Project  
The instructor will provide feedback to students and manage class discussion | Come prepared to present the environmental problem that you would like to address | Eco-E Opportunity Canvas: Core Environmental Problem-Solution  
Sample Background/Literature Reviews |
| 2       | Wed 1/8/14 NO CLASS | | | |
| 3       | Mon 1/13/14 2:30-5:00 PM | Organizing, Structuring and Writing Background/Literature Reviews  
- Instructor will provide guidance on preparing background/literature reviews  
- Discuss sample background/literature reviews assigned  
**MESM 2014 Eco-E Projects Panel**  
- Panel of 2nd year Eco-E Project students will discuss the environmental problems addressed by their teams, moderated by the instructor | Sample Background/Literature Reviews  
MESM 2014 Eco-E Project websites | |
<p>| 4       | Wed 1/15/14 NO CLASS | | | |
| 5       | Mon 1/20/14 | Martin Luther King, Jr. Day – NO CLASS | Background/Literature Review Due | |</p>
<table>
<thead>
<tr>
<th>Session</th>
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<th>Readings</th>
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<tr>
<td>6</td>
<td>Wed 1/22/14</td>
<td><strong>Business Model Environment</strong>&lt;br&gt;• Industry Definition&lt;br&gt;• Macroeconomic Forces&lt;br&gt;• Key Trends&lt;br&gt;<strong>Team Recruitment</strong>&lt;br&gt;Team recruitment pitches</td>
<td>Optional: Come prepared to pitch your ESM 256A Fall 2011 or new idea to recruit a team. Submit an Eco-E Opportunity Pitch slide by email to <a href="mailto:kelly.summers@mac.com">kelly.summers@mac.com</a>.</td>
<td>How to Get Startup Ideas&lt;br&gt;Why Too Many Startups (er) Suck&lt;br&gt;How to Jump-Start the Clean-Tech Economy (Harvard Case #R0911D)&lt;br&gt;Marketing Analysis Toolkit: Situation Analysis (Harvard Case #510079)&lt;br&gt;Warby Parker: Vision of a &quot;Good&quot; Fashion Brand (Harvard Case #413051)</td>
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<td>Fri 1/24/13 12:30-3:30 PM Bren 1414</td>
<td><strong>3rd Annual Bren Net Impact New Venture Competition</strong></td>
<td>Come watch and support second year Eco-E students present their Eco-E Projects and compete for a chance to win $20,000 at the Walmart Better Living Business Plan Challenge. Your vote will determine which team represents Bren at the regional competition.</td>
<td>Optional: Come prepared to pitch a new idea to recruit a team. Submit an Eco-E Opportunity Pitch slide by email to <a href="mailto:kelly.summers@mac.com">kelly.summers@mac.com</a>.</td>
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<td>7</td>
<td>Mon 1/27/14</td>
<td><strong>Market Forces</strong>&lt;br&gt;• Market Segments&lt;br&gt;<strong>Market Research</strong>&lt;br&gt;Team Recruitment&lt;br&gt;• Team recruitment pitches</td>
<td>Optional: Come prepared to pitch a new idea to recruit a team. Submit an Eco-E Opportunity Pitch slide by email to <a href="mailto:kelly.summers@mac.com">kelly.summers@mac.com</a>.</td>
<td>Market Customization: Market Segmentation, Targeting, and Positioning (Harvard Case #2580BC)&lt;br&gt;Analyzing New Venture Opportunities (Harvard Case #809163)&lt;br&gt;Note on Market Research (Harvard Case #E165)&lt;br&gt;Online Research Guide (Harvard Case #811095)</td>
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<td>8</td>
<td>Wed 1/29/14</td>
<td><strong>Industry Forces: Competitive Analysis</strong>&lt;br&gt;• Value Chain Analysis&lt;br&gt;• Ecosystem Map&lt;br&gt;<strong>Team Recruitment</strong>&lt;br&gt;• Team recruitment pitches</td>
<td>Optional: Come prepared to pitch a new idea to recruit a team. Submit an Eco-E Opportunity Pitch slide by email to <a href="mailto:kelly.summers@mac.com">kelly.summers@mac.com</a>.</td>
<td>Competitor Analysis: Understand Your Opponents (Harvard Case #2572BC)&lt;br&gt;A New Way to Look at Competitors&lt;br&gt;Four Steps to the Epiphany: Channel &quot;Food Chain&quot; (p.91-92), Channel Discounts and Financials (p.93-94)</td>
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<td>9</td>
<td>Mon 2/3/14</td>
<td><strong>Eco-E Opportunity Concept Proposal Presentations</strong></td>
<td>Team Formation Deadline&lt;br&gt;Eco-E Opportunity Concept Proposal Due</td>
<td>Eco-E Opportunity Canvas</td>
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<td>10</td>
<td>Wed 2/5/14</td>
<td><strong>Market Analysis</strong>&lt;br&gt;• Market Type&lt;br&gt;• Market Entrance Strategy&lt;br&gt;• Market Size</td>
<td>Four Steps to the Epiphany Preview: The Four Types of Startup Markets (p. 20-23)&lt;br&gt;Why Pioneers Have Arrows In Their Backs&lt;br&gt;Marketing Analysis Toolkit: Market Size and Market Share Analysis (Harvard Case #510081)</td>
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<td>Fri 2/7/14 10:00 AM-12:00 PM DCR</td>
<td><strong>Eco-Entrepreneurship Advisory Council (EEAC) – Winter Meeting</strong></td>
<td>Eco-E Opportunity Concept Presentations&lt;br&gt;First year students will present their Eco-E Opportunity concept proposals and initial research to the EEAC. EEAC will be asked to comment on the ideas, provide insights and make recommendations for customer research steps.</td>
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<td>Session</td>
<td>Class Date</td>
<td>Class Topic</td>
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<tr>
<td>11</td>
<td>Mon 2/10/14</td>
<td>Customer Discovery</td>
<td>Team Partnership Agreement Due</td>
<td>10 Tips for Amazing Customer Development Interviews</td>
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<td>12</td>
<td>Wed 2/12/14</td>
<td>Eco-E Opportunity Presentations – Sprint #1</td>
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<td>13</td>
<td>Mon 2/17/14</td>
<td>President’s Day – NO CLASS</td>
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<td>14</td>
<td>Wed 2/19/14</td>
<td>Customer Analysis</td>
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<td></td>
<td>• Identifying Opportunities Ladders</td>
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<td>15</td>
<td>Mon 2/24/14</td>
<td>Eco-E Opportunity Presentations – Sprint #2</td>
<td>Sign-up for a team presentation time slot on either Tue 2/24/14 or Thu 2/26/14.</td>
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<td>16</td>
<td>Wed 2/26/14</td>
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<td>17</td>
<td>Fri 2/28/14</td>
<td>MESM Eco-E Project Proposal Online Application Due</td>
<td>Online applications for proposed Eco-E Projects are due by 12:00 PM. Submit applications electronically via survey link: <a href="https://www.surveymonkey.com/s/2014EcoEprojectapp">https://www.surveymonkey.com/s/2014EcoEprojectapp</a></td>
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<td>18</td>
<td>Mon 3/3/14</td>
<td>Eco-E Opportunity Analysis Wrap-Up and Presentation Preparation</td>
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<td>Wed 3/5/14</td>
<td>MESM 2015 Group Project Unveiling Presentation</td>
<td>First-year MESM students should attend to find out which proposals were chosen by the Group Project Selection Committee to move forward as projects for your class. Eco-E Project Proposals will also be presented. Note: Eco-E Project Proposals will be selected by the Eco-E Project Faculty Committee on Mon 3/10/14.</td>
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<tr>
<td>19</td>
<td>Fri 3/7/14</td>
<td>Eco-E Opportunity Project Written Analysis Due</td>
<td>Eco-E Opportunity Project (Written Analysis) Due by 12:00 PM</td>
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<td>20</td>
<td>Mon 3/10/14</td>
<td>Eco-E Opportunity Analysis Final Presentations</td>
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<td>1:00-4:00 PM</td>
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**Comment [EC1]:** Need to update 1414 room reservation.