ENTREPRENEURSHIP AND BUSINESS FOR ENGINEERS
Course: ECE488 Fall 2015

Instructor:  Professor Joseph C. Paradi
Available any time when he is in his office: WB257, or by appointment via telephone at 416-978-6924 Ext 1 or e-mail paradi@mie.utoronto.ca.
See his Bio at the end of this document.

Course Coordinator:  Professor Joseph C. Paradi
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Taking Notes:
The 488 Entrepreneurship series is unique in content and structure. It is offered in each year in CHE, CIV, ECE, and MIE. All of the lecture notes used in the classroom are available to you on your BlackBoard Class website (all 4 classes use the same notes, which is why it is DDD488). All you have to do is print them or download them for use in class.

The Text:
Small Business Management - Launching and Growing New Ventures

Lecture Hours: Monday: 6:00 – 9:00 pm in GB248
All professors presenting this lecture are, or have been, successful entrepreneurs.

Tuesday: 12:00 – 2:00 pm in GB248 (marked as a Tutorial in the Calendar)
This “tutorial” is referred to as the Hatchery Speaker Series. It actually takes the form of a talk given by a successful entrepreneur. See “Assignments” below for complete description.

Time Demands
This course will be more demanding on your time and will require more work than the average course you will have taken in this Faculty. Do not let the 3 hours per week, plus the 2 hour Hatchery Speaker Series fool you into thinking that this is an easy course. If you are looking for a “bird” course, this is not it!

Details
The course is on BLACKBOARD, so you should sign in as soon as possible and read the handouts. We suggest that you print or copy the notes to your e-device before the lecture, read it and bring it with you to work on during the lecture. We will post on BLACKBOARD all handouts as the course unfolds on the dates shown in this document – so visit often.
All materials (except the two Canvas Progress Reports and the final Business Plan) should be handed in to the course e-mail address with the Subject line showing your name and student number and the title of the document. The documents can be attachments as long as they are in MSWord.

With the exception of the two Canvas Progress Reports and the final Business Plan and the exams, all projects and assignments are marked by your TA. Questions regarding these projects and assignments should be directed to him/her.

The Hatchery
The University of Toronto is dedicated to supporting entrepreneurship. Besides this course one of the ways it is supported in the Faculty of Engineering is through The Hatchery. If you have the entrepreneurial spirit or an entrepreneurial idea, The Hatchery will provide you with the tools and resources to take you to the next level. This course is the perfect place for you to start. Visit: http://hatchery.engineering.utoronto.ca/

ASSIGNMENTS, PROJECTS AND EXAM

Hatchery Speaker Series / Guest Speaker Report
We invite practicing entrepreneurs from the business community (even past students who started successful businesses) to speak for 45-50 minutes about their business, life, experiences, successes and failures. Because this course deals with practical concepts and real events these guests are invaluable in adding a real-life dimension to the course as they have, “been there and done it all.” So, what you hear is the real stuff.

The guest speaker’s talk is followed by a lunch of juices and sandwiches, Q and A’s and an opportunity to network, which you should take advantage of.

You must submit a one page Guest Speaker Report on each speaker. It should give an overview of the key things said by the guest speaker. It should include your thoughts and opinions and be an evaluation of what they said in the context of how it can make you a better entrepreneur. It is not a synopsis of what s/he said – your opinions are required.

The Guest Speaker Report will automatically show up on Blackboard under “Assignments/Guest Lectures” at 12:00AM on the day of the guest speaker and will be available until 12:00AM of the following Saturday. You have unlimited submission attempts.

Example: The first Guest Speaker Report on BlackBoard will become available on Tuesday, September 16th at 12:00 pm and will be available until Saturday, September 20th at 12:00 am.

Hatchery Speaker Series guest lecture conflicts: You will find alternatives to the guest lectures at the Hatchery website http://hatchery.engineering.utoronto.ca/calendar/ There is also a set of password protected alternate guest lecture assignments in “Assignments/Guest Lectures.” Your TA will give you a password to one of these assignments once you have attended the previously approved guest lecture. You will NOT be given a password if the T.A. did not pre-approve the alternate entrepreneurship related lecture.

Business Press Review
As part of your class participation mark you are expected to read an appropriate article from a reliable business publication (Globe and Mail RÔB, National Post – Financial Section, Financial Times, Canadian Business, etc.) and prepare a written half page report.
E-mail your report to your TA by midnight of the day before every lecture. The text should be in plain text included in the body of the e-mail - NO attachments please – submit on BlackBoard and do not forget to reference the article.

Your report should be about economic, political or personal issues affecting small businesses. These may be: a drop (or rise) in interest rates; recently released trade figures; import/export news; currency issues; government actions; approvals of financing; bankruptcies; tax matters, entrepreneurs, success stories, etc., etc. We expect you to write a thoughtful report on the issue, not a précis of the article.

At the start of each lecture, up to 5 students will be asked to make a 60-second oral presentation of their report (a printout of your report will be provided).

Successful business people read the financial news every day! This assignment is meant to help you understand the importance for entrepreneurs of “keeping on top of the business news” and to help you hone your speaking skills.

**Market Research Assignment**
Conducting Market Research is absolutely necessary to understand whether or not your business is likely to be successful. This assignment was designed to help you get started on the Market Research portion of your final Business Plan. For this assignment you should endeavour to do market research on the topic/business you chose for your Business Plan.

It will help you understand the process you would follow in a real business environment and at the same time you will be doing the groundwork for your Business Plan.

**What is your business idea?**
New business ideas tend to be the result of the recognition of an opportunity by the entrepreneur, but there are many ways to come up with an idea for a business. The best place to start is to share ideas with family and friends. Sharing ideas and observations will lead you into hypotheses of what the value proposition of your start up should be. We expect for you to come to the first day of class with a hypothesis of a problem you think you can solve for a customer. The Business Ideation Tool was designed to help you learn how to develop business ideas that work for you and are relevant.

This tool is available for you on Blackboard and will help you choose an idea through a brainstorming exercise. If you already have an idea this exercise can help you test your idea.

**Business Canvas/Business Plan Proposal**
Once you have come up with an idea for your Business Plan, you must submit it to your professor for approval. While this is not a “marked” assignment, you cannot proceed with your Business Canvas/Plan until you get an approval to do so. This often flows out of your Business Ideation Assignment but it is in your best interest to do it as soon as possible.

**Milestones in the Business Canvas Progress Report**
The business canvas is a tool that will help you define your start up and its business model. We want to define a business model and how your start-up creates value for its value (generates profit) while delivering products or services for its customers. During this course you will have the unique opportunity to develop the different sections of the canvas and use them as the building blocks to create your final Business Plan. The term project is a full Business Plan and it is intended to give you "hands on" experience in developing a document that is absolutely essential if you ever get into business for yourself.

Because preparing a Business Plan is not a simple exercise and is quite time consuming, we start with the
Business Canvas – See the document on BlackBoard that describes this process in detail. This Progress Report is on how far you are and what you are planning in your Business Plan to which the Canvas will lead. This is to ensure that you get started early and have at least part of your final Business Plan started.

**Milestone #1** will be reached by the 4th lecture of the course. We expect you to have fully developed Sections 1, 2, 3 and 4 of the Canvas. There are some marks for this document and it will be essential for your Business Plan's success.

**Milestone #2** will have all the Sections 1 to 9 inclusive completed. Marks will be assessed and it will be due on the 8th lecture of the term.

By the 8th lecture you are expected to have made solid progress on "painting" a picture of all of the sections required in the final Business Plan with the exception of the Financials, and the Executive Summary. Even though this is not a “finished” product, it should be done with care in a professional style and be a good representation of what your final Business Plan will look like. This must then be rapidly expanded into the written document; the Business Plan is due on the last lecture date.

Our comments will challenge you in the definition of your value proposition and market fit of your solution. We shall work with you but not for you in this process, is up to you to validate your hypothesis and develop the canvas.

**Final Business Plan**
The final term project involves the preparation of a full and complete Business Plan for a company you selected as “Your Business” and of course this will be on the idea that you worked on in the canvas and the materials you developed there. The Business Plan, on the average, should be 20-30 pages (cover page, table of contents, appendices etc. are not included in the count) typed, single-spaced. For details, see the handout on BlackBoard.

We understand that the preparation of a "professional" Business Plan is a lot of work. The creation of your business plan will be an organic process once you have completed all the elements of your business canvas. The comments you receive on your Progress Reports will guide you to validate your hypothesis and value proposition. There is also a lot of help available on the Internet, so please feel free to use any/all such assistance – but make sure you give credit by citing your sources.

Keep in mind that this is a business document – not a novel. Good communication is essential, so keep your language business-like, short and to the point. Always proof read to ensure accuracy of facts and language – do not just rely on spell check!

**Elevator Pitch**
Each student will have the opportunity to present their Business Plan idea to a hypothetical Venture Capitalist. You will have to make a verbal presentation, no longer than 60 seconds (pretend that you are in an elevator, so only have a minute), to the class (representing the potential VC/financier). Your aim is to describe your idea and the business opportunity to the VC in as compact and meaningful way as you can in order to convince them to take the next steps – that is to invite you to their office for a chat.

Depending on class size, 1/3 rd of the class will present during lectures 9, 10 and 11, the order will be randomly chosen. There is a section in the “handouts” on BlackBoard with three Elevator Pitch articles – we highly recommend that you read them.
The Final Examination
The final examination will be open book and will draw upon material presented in the course, including the readings from the textbook and class discussions. Complete lecture notes should be printed because laptops are not allowed in the exam.

ASSIGNEMENT DUE DATES

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<tr>
<th>Item</th>
<th>Report or Assignment</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>1.</td>
<td>Business Canvas Progress Report # 1</td>
<td>October 5</td>
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<td>2.</td>
<td>Business Canvas Progress Report # 2</td>
<td>November 9</td>
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<td>3.</td>
<td>Market Research Assignment</td>
<td>October 26</td>
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<td>4.</td>
<td>The Business Plan – due no later than 6:10 p.m., at the start of the lecture.</td>
<td>December 7</td>
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Please respect the fact that we will enforce these dates. Do not make any excuses because we will not be sympathetic! If you encounter any problems we will always try to help you just set up an appointment and we will make time for you.

While we will not reject a late submission, there will be a 40% discount on the marks achieved. So, do not be late! If you do not hand in the item by the time we return the marked document to the others, we will not accept it at all! You should put these due dates into your timetable right now.

MARKING SCHEME

Class Participation (includes Business Press reviews) 6%
Market Research Assignment 4%
Guest Speaker Reports 6%
Elevator Pitch 2%
Progress Report #1 - Canvas 5%
Progress Report #2 - Canvas 5%
Final Business Plan 22%
Final Examination 50%

HELPFUL HINTS

Your term project is the preparation of a full and complete Business Plan for a company you select as “Your Business.” This requires a great deal of work – up to 60 hours. Nevertheless, here are a few comments about the term project:

1. Do not put it off or delay starting it as you will run out of time, for sure!
2. Plan what you have to do, put some deadlines on the action items, and get on with it.
3. Consider what the subject business will be and get started before the first class by having it ready.
4. Don't forget to include an Executive Summary (this is necessary, but, it should be no longer than ½ to one page) for the project and is done as the very last thing, this is a key component!
5. Conclusions and Recommendations are important sections, yet many neglect to do it – and suffer.
6. Financial section is often a problem. We offer extra help in the form of a tutorial.
7. A letter of Transmittal (this means a cover letter) is also a requirement.

A word about course management
In the business world, deadlines are very important and missing them usually costs the firm dearly. For example, if you are bidding on a contract or tender, missing the deadline by even one minute will result in your bid not being considered at all. Similarly, in this course, missing deadlines will cost you.
WHY TAKE THIS COURSE

In today’s economy the most successful people are those who have entrepreneurial skills. Whether you wish to, “do your own thing,” or you decide to work for a large or medium sized corporation you will find this course invaluable. In fact today organizations actively search for intrapreneurs (an entrepreneurial individual who prefers to work within a larger firm rather than start their own). So, if you have the "talent" for business or if you can hardly wait to leave university to pursue a career in business, whether you start it yourself, or you join a family business, this course is for you.

Our approach to teaching this course is based on real-life business experiences and years of successful practice of "what we preach." The course contains very little theoretical work or academic approaches. It is designed to familiarize you with the kinds of opportunities (problems) likely to be encountered in an entrepreneurial career.

If you want to lead and entrepreneurial lifestyle and are prepared to work hard, we will provide you with the practical knowledge and technical skills required to pursue this kind of career. We believe that an entrepreneurial lifestyle is not only a reasonable career alternative, but the most exciting career possible. We speak from experience; each one of the professors teaching this course is or has been a successful entrepreneur.

Becoming a successful businessperson is not inherently limited to a select few. While the spirit may be inborn in some individuals, most people can learn and develop the necessary entrepreneurial skills and knowledge. As you are about to take this course, you should realise that by the time you finish it, you may conclude that entrepreneurship is not for you, but on the other hand, you may find that you just cannot wait to start! We have had dozens of students who did start businesses, some even while they were completing their degrees and a number are very successful today.

Everything changes rapidly in today's society whether we examine the legal, international, financial or Canadian business environments. Clearly, the end of the 20th Century went down in history as the decade of the "Great Restructuring" of the modern World's trade and business environments; the maturing of the Internet and e-Commerce and the pervasive presence of Social Media and many other events. Canadians are not immune to these changes and must adapt in order to prosper. The formation of a small business is perhaps the only real opportunity in the 21st Century for future successes for many of you!

FINALLY

We consider it a privilege to have the opportunity to teach you. We really enjoy the enthusiasm, intelligence, drive and vitality you display. We hope that you will be successful in anything you attempt to do in life. Good luck!
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<tr>
<th>Week</th>
<th>Date</th>
<th>Text-Chapter</th>
<th>Topics</th>
<th>Assignments &amp; Project Milestones</th>
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<tbody>
<tr>
<td>1</td>
<td>Sept 14</td>
<td>1 + 2 handouts</td>
<td>Organizational meeting&lt;br&gt;The Entrepreneur and the Business Canvas&lt;br&gt;- Introduction to the “Entrepreneur”&lt;br&gt;- The Business Canvas – its role and value</td>
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<td>Sept 15 N/A&lt;br&gt;No Guest Today&lt;br&gt;Bus Canvas Assn. handed out</td>
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<td>2</td>
<td>Sept 21</td>
<td>5</td>
<td>Business Plan and Finding a Business Idea&lt;br&gt;- Business Canvas/Plan&lt;br&gt;- Business Idea Search</td>
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<td>Sept 22 N/A&lt;br&gt;Entrepreneur: Tom Blackmore, Think Cards</td>
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<td>3</td>
<td>Sept 28</td>
<td>6 notes</td>
<td>Market Research&lt;br&gt;- Source of data&lt;br&gt;Entrepreneur: Razir Suleman, Archives</td>
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<td>Sept 29 N/A&lt;br&gt;Entrepreneur: Razir Suleman, Archives</td>
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<td>4</td>
<td>Oct 5</td>
<td>7 and 8</td>
<td>Marketing Strategies Promotion and Pricing&lt;br&gt;- Pricing and costing&lt;br&gt;- Advertising, electronic channels&lt;br&gt;Progress Reports #1 Canvas due&lt;br&gt;Market Research Assignment handed out</td>
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<td>Oct 6 N/A&lt;br&gt;Entrepreneur: Michael Augusta</td>
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<td>Oct 12</td>
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<td>Thanksgiving Holiday – NO CLASSES&lt;br&gt;Entrepreneur: TBA</td>
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<td>5</td>
<td>Oct 19</td>
<td>7 and 8</td>
<td>Sales&lt;br&gt;- Sales people and managing them,&lt;br&gt;- Distribution channels and Global marketing&lt;br&gt;Entrepreneur: Pierre Baumier, Maxxam BioDiscoveries</td>
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<td>Oct 20</td>
<td>N/A</td>
<td>Market Research due today&lt;br&gt;Entrepreneur: TBA</td>
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<td>6</td>
<td>Oct 26</td>
<td>A13, 14</td>
<td>Accounting, Financing and Analysis&lt;br&gt;- Sources of funding&lt;br&gt;- Accounting and controls&lt;br&gt;- What you need for the Business Plan</td>
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<td>Oct 27</td>
<td>N/A</td>
<td>Market Research due today&lt;br&gt;Entrepreneur: TBA</td>
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<td>7</td>
<td>Nov 2</td>
<td>9</td>
<td>Managing the Business – People&lt;br&gt;- Management Styles&lt;br&gt;- Recruiting and hiring&lt;br&gt;- Legal issues in employment and HR&lt;br&gt;Entrepreneur: TBA</td>
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<td>Nov 3</td>
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<td>Nov 9</td>
<td>N/A</td>
<td><strong>e-Business</strong>&lt;br&gt;- What it is about and how you can participate&lt;br&gt;- How to develop a web presence <em>Progress Report #2 Canvas due</em>&lt;br&gt;- The problems of on-line business&lt;br&gt;<em>Entrepreneur: Brent Cator, Cardinal Meats</em></td>
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<td>Nov 10</td>
<td>N/A</td>
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<td>Nov 16</td>
<td>10</td>
<td><strong>Legal issues</strong>&lt;br&gt;- Legal forms of organization&lt;br&gt;- Taxation and other matters&lt;br&gt;- Intellectual Property protection&lt;br&gt;<em>Financial Tutorial</em></td>
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<td>Nov 17</td>
<td>N/A</td>
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<td>10</td>
<td>Nov 23</td>
<td>4 and 3</td>
<td><strong>Buying a Business, Franchising, Taking over a Family Business</strong>&lt;br&gt;- Buying a business and Franchising&lt;br&gt;- Succession in a Family Business&lt;br&gt;<em>Tutorial and help with the Business Plan.</em></td>
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<td>Nov 24</td>
<td>N/A</td>
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<td>11</td>
<td>Nov 30</td>
<td>11, 12</td>
<td><strong>Managing the Business – Things to Know</strong>&lt;br&gt;- Location and equipping the business&lt;br&gt;- Suppliers and purchasing, credit&lt;br&gt;- Ethical dealing&lt;br&gt;<em>Tutorial and help with the Business Plan.</em></td>
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<td>Dec 1</td>
<td>N/A</td>
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<td>12</td>
<td>Dec 7</td>
<td>3, 15, 16</td>
<td><strong>Risk Management &amp; the Exit – Succession and Other Options</strong>&lt;br&gt;- Exiting the business and succession&lt;br&gt;- Selling out&lt;br&gt;<em>Business Plan due 6:10 pm - (No Extensions)</em></td>
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*Thanks for the Opportunity to teach you!*

*Good Luck in the Exams*

*Have a safe and enjoyable Christmas Vacation!*
Resumé
Joseph C. Paradi, Ph.D., P.Eng., FCAE
August 2015

Since his childhood in Budapest, Hungary, and immigrating to Canada as a youngster, Dr. Paradi has spent the past almost 5 decades always "building" something - first, an education. He completed high school in Toronto, then attended the University of Toronto where he obtained a degree in Chemical Engineering, followed by M.A.Sc., and Ph.D. degrees. He is a member of the Professional Engineers of Ontario and a Fellow of the Canadian Academy of Engineers.

Even before completing his final degree, he started his second "building" project, Dataline Inc. Dr. Paradi was the founder of Dataline Inc. in 1968. The company was financed with a $2.7 million dollar public underwriting of shares (March 1969). The Company grew to a 25 million dollar, large Canadian computer services company. Over 180 professionals distributed Dataline’s service offerings across Canada and in most other major financial centres around the globe. The international network supported over 5,500 real time terminals using virtually all types of communication services including leased lines, Satellite and dial-up services. The system and network delivered sub-second response to stock traders, bankers, investment managers and others who needed instant information. Dr. Paradi sold the company to a U.S. firm in late 1987 and left in January 1989 after 20 years at the helm.

While still very much involved in Dataline, Dr. Paradi started his third "building" project at the University of Toronto in the Faculty of Applied Science and Engineering. This project started during the early 1980’s when the first lectures in "Innovation and Entrepreneurship" were delivered. Today, he is the Executive Director of the Centre for Management of Technology and Entrepreneurship, and a Professor in Chemical Engineering and Applied Chemistry. He teaches graduate level Business Creation and Management courses as well as undergraduate courses in Entrepreneurship and Business, Engineering Economics and Small Business management. Part of his research activities include the supervision of a group of 5 - 10 graduate students working on their Masters and Doctorates in Engineering. There is a long list of academic accomplishments also, including well over 60 graduates in Masters and Ph.D. programs, papers published and presented and conference contributions. More information is on the Web: www.cmte.utoronto.ca. He is the past Speaker of the Faculty Council and the Chair holder in Information Engineering.

The fourth "building" project was Parcorp Ltd., a company started for the purpose of investing in, nurturing and facilitating the growth of small Canadian high tech companies. He has also started several other companies: a specialised technology consulting firm (ProdActivity Associates Inc.); two firms based on intellectual properties developed at the University of Toronto (DesignCo Inc. and Translucent Technologies Inc.); and a joint venture in Hungary. He is the director and part owner of other high tech firms as well.

Dr. Paradi has always been very active in industry affairs and in the community. He was a member of the Board of Directors of CADAPSO (the Canadian Association of Data Processing Organisations) for 15 years, its President/Chairman twice (three years in total) and Chairman of most of its subcommittees at one time or another. He was active in the Information Industry Association of the U.S. He is also member of IIE, INFORMS, IEEE and PARN. Community activities have included coaching Minor Hockey for 15 years; he was a senior instructor in the National Coaching Certification Program for over 10 years. He coached Lacrosse and organized golf for kids. He participated in a number of community fundraisers as well. Dr. Paradi is a member of the Mississauga Golf and Country Club, The National Club and The Metropolitan Toronto Board of Trade.