

University of Alberta

## SMO 530-A1, Fall Term 2018

### The Entrepreneurial Mindset and Innovation

Class: Monday, Wednesday, 3:30PM - 4:50PM

Location: Business School Building, BUS 3 – 6

Course Website: available via eClass (<https://eclass.srv.ualberta.ca/>)

**Instructor:** Dr. Tim Hannigan  
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**Required Materials:** Wilkinson, A. 2015. *The Creator's Code*. Simon & Schuster: New York, NY.

SMO 530 Case Pack (\$4.25/case)

- Available @ Harvard Business Press online  
<https://hbsp.harvard.edu/import/568076>

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### Course Description

Despite popular heroic accounts of creativity, entrepreneurship, and innovation, it is often not clear how to engage with these activities in an organized manner. Entrepreneurial practice is often characterized by broad patterns instead of prescriptive methods. The entrepreneurial method can be learned, but it is based around developing an intellectual sensibility and applying it in practice. Throughout their studies, graduate students in Alberta will often find themselves at the cusp of an enterprising idea. While they may conceptualize the idea in the abstract, they are then unclear about the process for how to take the idea and turn it into a reality. This reflects two major issues. First, despite popular heroic accounts of creativity, entrepreneurship, and innovation, it is not clear how to engage with these processes in an organized manner. Scientific training privileges novelty and invention, but successful innovation is often about assembling existing concepts and resources into valuable combinations situated in context. As William Gibson suggested, “The future is already here — it’s just not very evenly distributed.” This implies that opportunities need to be discovered, articulated and imbued with meaningful notions of value. Second, in order to successfully implement an idea, graduate students lack diverse team members with a broad set of skills and expertise, and most academic institutions are setup in such a way as to make such a team impossible to find and form. This course aims to solve both of these issues.

*The Entrepreneurial Mindset and Innovation* is an interdisciplinary (i.e., cross-faculty) course for graduate students interested in understanding and cultivating such a mindset. Through approaching

entrepreneurial activity with the lens of networks and ecosystems, we will enhance the notion that creativity and innovation can be applied across many spheres of life - including in academic research, nonprofits, government, big companies, and small start-ups.

This course is designed to introduce entrepreneurship as an iterative process of opportunity recognition and value creation, and will examine issues around implementation. The class has been composed into three parts. The first part of the course is designed to introduce an understanding of entrepreneurship and innovation as a multi-level phenomenon. We will address what entrepreneurs do in practice and how they assemble value and opportunities with social networks. By using case studies of evocative entrepreneurs from the 19<sup>th</sup>, 20<sup>th</sup>, and 21<sup>st</sup> centuries, we will explore how entrepreneurship is based on some common principles. Individual entrepreneurs often have diverse backgrounds and are both tenacious and resourceful. However, this entrepreneurial mindset is not limited to one discipline or personality type. Entrepreneurial action does not occur in a vacuum, so much as it is enabled by groups, social platforms and ecosystems.

The second part of the course will focus on Entrepreneurial Opportunities. This will help to explore where value comes from and process of assembling resources when innovating. Students will learn about the iterative process of opportunity recognition and value creation and the sensibility of organizational ambidexterity. Opportunities are not “out there” waiting to be grabbed, so much as they are initially weak signals that need to be articulated in space and time. We will explore the inductive processes of “design thinking” as a sensibility for constructing value propositions. We will also cover some of the socio-cultural issues of recognizing new opportunities and challenge the popular notion of “building a better mousetrap and the world will beat a path to your door”.

The third part of the course will cover material around implementation of an opportunity and the pragmatics of turning inductive insights into stylized facts through the lean process of “validated learning.” Although building out a new opportunity space can be messy, by considering lean methods for primary research of users, we can approach entrepreneurial organizing as an iterative empirical process. In addition to learning about entrepreneurial practices, students in this course will learn how to develop an entrepreneurial mindset. Together, these will contribute to an understanding of how to develop an idea and steward it into reality.

### **Learning Objectives**

- To introduce key concepts in entrepreneurship and innovation.
- Learning about entrepreneurial action through assembly of resources and social networks.
- Learn to identify, develop and articulate potential opportunities through processes of design thinking and validated learning.
- Develop analytical and critical thinking skills through the process of completing an opportunity assessment for launching a new product or service.

The classes are designed to complement different learning styles; however, participation is of particular importance. Entrepreneurship is a dynamic subject and much of this course is based on case studies and projects. Students are expected to attend every class.

The readings for this course have been compiled in a manner that is both accessible and non-discipline specific. We have a core textbook in Wilkinson (2015) for many of the readings, however most of the material has been compiled from a variety of different sources. The weekly readings have been divided into essential and recommended. In order to effectively participate in class, every student will be expected to cover at minimum the expected readings. Every effort has been made to provide PDF copies on eClass in a way that is consistent with University of Alberta copyright rules. All of the materials are available digitally through eClass, the University of Alberta Library, or through the Harvard Business School Press (HBSP).

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## Participation

Entrepreneurship is a collaborative and interactive process. Entrepreneurs find opportunities, adapt, and improve themselves by listening and learning from others. Participating in this manner does not simply mean speaking often. Individuals who contribute positively help the class as a whole in synthesizing and moving discussions forward. Participation is also a function of involvement in group exercises in class. Low participation grades will come from using distracting technologies in class and discouraging others. To this end, your participation will be made up of two components: (1) peer evaluation: at the end of each class, you are to submit a Google form with the names of 5 other individuals whom you felt positively contributed to the class; (2) your self-evaluation: in this same email, I ask that you provide a self-evaluation (out of 5). This is an ongoing process, and you are welcome to provide a short blurb of explanation. I will my evaluation in conjunction with the peer evaluation and self-evaluation to assess an accurate measure.

The participation portion of the grade is 10%, spread out over the term. Participation is evaluated in a number of ways and is correlated with attendance. It is impossible to earn participation marks if a student is not in class. Participation marks can be made up through short reading summaries arranged with the instructor. 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. Please come to class prepared to participate in the day's activities. At the beginning of each class, I will hand out name cards – I expect these to be handed back at the end of each class.

Participation extends beyond the classroom and out into the real world. Edmonton's entrepreneurial ecosystem is growing. I encourage you each to look for opportunities to get plugged in and bring this knowledge back to the classroom. If you have attended an event or identified resources useful to your classmates, inform me, and I will try to include them in class discussion.

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## Guest speakers

Entrepreneurship is a dynamic and applied subject. Throughout the course we will have practicing entrepreneurs share their perspectives as guest speakers in person or via Skype. We will have speakers from each of: University of Alberta, and the Edmonton Entrepreneurial Ecosystem.

## General Course-Related Policies

Policy about course outlines can be found in Section 23.4(2) of the University Calendar.

The University of Alberta is committed to the highest standards of academic integrity and honesty. Students are expected to be familiar with these standards regarding academic honesty and to uphold the policies of the University in this respect. Students are particularly urged to familiarize themselves with the provisions of the Code of Student Behaviour (online at [www.ualberta.ca/secretariat/appeals.htm](http://www.ualberta.ca/secretariat/appeals.htm)) and avoid any behaviour which could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offence. Academic dishonesty is a serious offence and can result in suspension or expulsion from the University.

Audio or video recording of lectures, labs, seminars or any other teaching environment by students is allowed only with the prior written consent of the instructor or as a part of an approved accommodation plan. Recorded material is to be used solely for personal study, and is not to be used or distributed for any other purpose without prior written consent from the instructor.

## Evaluation

Your grade evaluation breakdown is as follows:

	<b>Grade</b>
<b>Participation:</b> <ul style="list-style-type: none"> <li>• Attendance</li> <li>• In-class discussions, exercises</li> </ul>	10%
<b>Practical works assignments (400 words):</b> <ul style="list-style-type: none"> <li>• 5 Practical Work assignments (each 5%)</li> </ul>	(5% x 5) 25%
<b>Midterm exam</b>	20%
<b>Assignment: Opportunity Analysis</b>	15%
<b>Final Exam, take-home</b>	30%

### **Practical work assignments (25%)**

Practical work assignments are an exercise in applying concepts to class reading materials. Each practical work assignment will be 400 words long and will be based on a question provided. Each assignment is worth a total of 5 marks. You are not required to include citations, as the core focus should be on the class reading materials for that week.

Practical Work Assignments will be graded using the following scale:

- Excellent (5)
- Acceptable (4)
- Unsatisfactory (3)
- Not completed (0)

All Practical Works assignments are due at 11:59pm the night of the deadline. They must be turned in on time. The late policy is that assignments will lose 20% of their grade for every day that they are late. Assignments should be submitted in either PDF or Word format via eClass, unless otherwise instructed.

All written assignments should be submitted via eClass, and should use the following file format:

*SMO\_530\_Fall\_2018\_(Assignment Name)\_(LastName-FirstName)*

Example: *SMO\_530\_Fall\_2018\_PW1\_Smith-Jane*

### **Exams (50%)**

There will be a midterm exam done in class on **October 31, 2018**. This will be a multiple choice exam based on material leading up to and including week 5. It will be worth 20 marks.

The final will be a take-home exam in the final week of the term and will be on **December 14, 2018 at 11:59pm** on eClass. It will be worth 30 marks.

### **Assignment: Opportunity Analysis (15%)**

This assignment will be based on applying course concepts towards analyzing a latent opportunity for a potential value proposition. This is not a business plan, but is rather an exercise in entrepreneurial thinking. It will be worth 15 marks and is due **November 11, 2018 at 11:59pm** on eClass.

## Course Outline

Class	Date	Day	Topic	Readings	Evaluations
1	Sept 5	Wed	<i>Class Introduction</i>		
2	Sept 10	Mon	<i>Introduction to Entrepreneurship and Innovation</i>	Wilkinson, A. 2015 (Ch 1)	
3	Sept 12	Wed	-- NO CLASS --		
4	Sept 17	Mon	<i>What Entrepreneurs Do in Practice</i>	Wilkinson, A. 2015 (Ch 2) <b>In class:</b> Sarasvathy, S. 2001.	
					Practical work 1 due, Sept 18
5	Sept 19	Wed	<i>What Entrepreneurs Do in Practice</i>	Wilkinson, A 2015. (Ch 3) <b>Case (purchase from Harvard site):</b> Utterback, J.M. 1994. (pg 4-19)	
6	Sept 24	Mon	<i>How Entrepreneurs Build Social Networks</i>	Uzzi, B., & Dunlap, S. 2005.	
7	Sept 26	Wed	<i>How Entrepreneurs Build Social Networks</i>	<b>Case:</b> "Jerry Sanders" Burton, D. & Lawrence, K. 1998	
8	Oct 1	Mon	<i>How Entrepreneurs Use Social Networks</i>	Burt, R. 2005 (Ch 1 excerpt)	
					Practical work 2 due, Oct 2
9	Oct 3	Wed	<i>How Entrepreneurs Use Social Networks to Assemble value</i>	Obstfeld, D. 2017 (Ch 1 excerpt)	
10	Oct 8	Mon	-- NO CLASS, Thanksgiving holiday--		
11	Oct 10	Wed	<i>Platforms, Networks and Ecosystems: pt I</i>	Hwang & Horowitz. 2012 (Ch 2); <b>Case in class:</b> Calgary & Waterloo (Spigel, B. 2015 excerpt)	
					Practical work 3 due, Oct 14
12	Oct 15	Mon	<i>Platforms, Networks and Ecosystems: pt II</i>	<b>Case:</b> Chesbrough, H., Sohyeong, K., & Agogino, A. 2014	
13	Oct 17	Wed	<i>Introduction to Design Thinking</i>	Wilkinson, A. 2015 (Ch 5);	
14	Oct 22	Mon	<i>Opportunity Recognition as a Process</i>	Alvarez, S. A., & Barney, J. 2007 (excerpt)	
15	Oct 24	Wed	<i>Empirical approaches to designing, articulating Value Propositions</i>	Ries, E. 2011. (Ch 5); Wilkinson, A. 2015 (Ch 6)	

16	Oct 29	Mon	<i>Empirical approaches to designing, articulating Value Propositions</i>	Osterwalder, A., Pigneur, Y., Bernarda, G. & Smith, A. 2015 (Ch 1); Osterwalder, A. & Pigneur, Y. 2010. (Ch 3)	
17	Oct 31	Wed	Midterm exam, in class, Oct 31		Midterm exam, in class, Oct 31
18	Nov 5	Mon	<i>Introduction to Implementing Ideas in Practice</i>	Grant, A. 2016. (Ch 1)	
19	Nov 7	Wed	<i>Disruptive Innovation &amp; Blue Oceans</i>	Christensen, C. 2016. (Ch 6); Kim, & Mauborgne, 2015. (Ch 1)	
					Opportunity analysis assignment due, Nov 11, 11:59pm
20	Nov 12	Mon	-- READING WEEK – NO CLASS --		
21	Nov 14	Wed	-- READING WEEK – NO CLASS --		
					Practical work 4 due, Nov 18,
22	Nov 19	Mon	<i>Finding a Business Model: Experimentation, Measurement, Leaps of faith</i>	Wilkinson, A 2015. (Ch 4); Case study: IDG tea	
23	Nov 21	Wed	<i>Finding a Business Model: Customer Discovery</i>	Blank, S. & Dorf, B 2012 (Ch 3)	
					Practical work 5 due, Nov 25,
24	Nov 26	Mon	<i>Venture Survival</i>	Tushman, M. & O'Reilly, C. 2002. (Ch 2-3)	
25	Nov 28	Wed	<i>Entrepreneurial Thinking, Entrepreneurial Organization</i>	<b>Case:</b> Starbucks and recreation of value in coffee (Koehn, 2005)	
26	Dec 3	Mon	Class Conclusion and course review	Wilkinson, A. 2015. (Conclusion);	
27	Dec 5				Take home-exam handed out in class
					Take-home exam due Dec 14 at 11:59pm on eClass