Designing and Delivering the Perfect Pitch – Background Note
Angelo Santinelli, Adjunct Lecturer, Entrepreneurship Division
Candy Brush, Professor/Division Chair, Entrepreneurship Division

Abstract: Entrepreneurs are often unprepared to begin the process of raising capital despite having what may appear to be a well-polished presentation. They tend to focus too much on the finer points of the product or service, leaving critical questions unanswered regarding the solution’s fit with the problem, the market, the industry, and the competitive environment. Thus, entrepreneurs need to communicate clearly to resource providers their capabilities, the value of their venture idea, and the benefits of engaging with the team.

Learning Objectives: This note helps students to design a pitch that covers the appropriate content and provides tips on how to better communicate it. A “perfect pitch” comprises two elements: (1) the content—aspects of the problem being solved, the solution, the value proposition, the business model, and the resources required; (2) the communication—the delivery of the message in terms of voice, body language, appearance, and eye contact. Both the content and the communication are essential to a “perfect pitch.” This note will outline the steps entrepreneurs can follow to develop a perfect pitch: the feasibility analysis, preparation for approaching investors, planning, the content, communication, and follow up.

Monica Ashley at Energy Plus (A), (B)
Allan Cohen, Professor, Management Division

Abstract:
This is a multilayered case that can be taught from many angles. Monica Ashley is a smart, early-career, woman manager. After 10 years in a staff role, she is asked to lead a radical product development effort at Energy Plus, a technical solutions and services firm experiencing rapid growth providing design and implementation services for large-scale energy projects. There are indications that various forms of alternative energy will grow in the future, and the company has chosen to focus on wind power as a major growth area. Intense internal opposition is led by Ralph Parker, the engineer whose designs for standard fossil-fueled generators have been critical to the company’s success.

Ashley was chosen for the project by CEO Gary Dorr and has the backing of her boss, Dan Stella. Parker’s fierce opposition combines with other factors to block progress: the loose matrix organization structure, little top-down control, and uncertainty whether wind power using new technology and requiring different, smaller clients can be a successful business. Ashley focuses on getting the “right” answers, goes outside to acquire design expertise, and pushes to move rapidly to market. These actions do not advance the project smoothly, and she ends up being removed as project leader even though she is eventually proven right.
Learning Objectives:
The case allows for multiple, overlapping teaching objectives. It can be used to examine the challenges of leading change from the middle, entrepreneurial leadership, influence without authority (in all directions), stakeholder analysis, action and contingency planning, and/or interpersonal conversations under difficult conditions. It allows for close examination of how to influence difficult people, with enough information about four key players plus Ashley herself to enable role-playing with uncertain outcomes. Some amount of role-playing is at the center of classroom activity, with variations on how to do it and regardless which learning objective are highlighted.

There are several possibilities for creating “Aha” moments:

- A seemingly impossible-to-influence person can sometimes be moved if you are able to adopt that individual’s point of view to determine what he or she cares about.
- A manager focused on “truth” who believes it will carry the day chooses to be “right” rather than effective. This is a common problem for people in the middle of organizations who excel in their technology or discipline and think everything else is nasty politics. Many technical entrepreneurs suffer from this problem.
- Ignoring organizational/cultural context often leads to frustration.
- When a person or group cannot be influenced, it may be possible to reduce their resistance by offering something they value, listening to what they care about, and not giving any reason for them to feel they are being ignored or disparaged even if you don’t agree.
- If it is necessary to protect yourself by using or threatening to use negative currencies, publicly identifying hostile behavior may be the best defense.
- It is difficult to understand what matters to someone else when you are engaged with high emotion. If you accept the interests of others as a legitimate difference, you can tune in to what matters and use that as part of what you offer.
- It is impossible to anticipate fully how others will respond to your initiatives. However, it may be possible to think of likely alternatives and plan a next step for each, as well as choose a first action based on the best risk-reward ratio.
- Networking or building relationships is not “nasty politics” but smart membership behavior for anyone working in an organization.
- Role-playing with a trusted colleague can be an effective way to plan for a difficult conversation, identifying landmines in advance.

The case works equally well with MBA students and executive education participants. It has been used successfully with undergraduates in a leadership elective.
**Sullivan Container**
Michael Cummings, Faculty Director, FastTrack, Management Division
Robert Brewster, Adjunct Lecturer, Marketing Division

**Abstract:** Sullivan Container operated both new industrial steel barrel production and the reconditioning of industrial steel drum and plastic containers in several plant locations in the United States. The firm operated in an industry with a checkered past, characterized by periods of price fixing and environmental problems. A new management team acquired the firm in 2007 and began revamping manufacturing practices and focusing on environmentally sustainable practices. Faced with the severe economic crisis in 2009, the firm continued to pursue sustainable practices, but now faces a critical question as investment costs in sustainable practices increase. The key question we explore is: Given the industry history, will building sustainable practices into their business model drive a customer’s Willingness to Pay? The case allows students to explore the challenges of creating a Willingness to Pay for aspects of value creation that may have no immediate positive effect on their customer’s internal operations.

**Learning Objectives:** The case is designed for use in an introductory strategy course. It allows the instructor to explore the concepts of industry-level and organizational-level legitimacy, the role of PEST factors in shaping strategic decision making and the associated concepts.

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**Term Sheets in Early Venture Capital Financing** – Technical Note
Angelo Santinelli, Adjunct Lecturer, Entrepreneurship Division

**Abstract:** This note is intended to provide background information and guidelines for students to better understand how to read and negotiate a term sheet. It provides definitions for key terminology, includes a generic example of a term sheet along with explanations for different clauses in the term sheet preparing a pitch to investors.

**Learning Objectives:** The Note covers preparation, suitable for any advanced level undergraduate students, MBA's or Executives who are taking advanced Entrepreneurial Finance courses.

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**Vera Bradley (B)**
Angelo Santinelli, Adjunct Lecturer, Entrepreneurship Division

**Abstract:** Headquartered in Fort Wayne, Indiana, Vera Bradley was founded in 1982 by friends Barbara Baekgaard and Patricia Miller in the basement of Baekgaard’s home. After noting a lack of appeal in women’s travel bags, the two started the company with an investment of $500. The company grew via a wholesale/direct model through sales to independent gift shops and gradually increased sales to $58 million by 2002. The founders began to consider new strategic growth initiatives in 2003 including additional product releases, expanding the target market, and visual merchandising to retailers. The (A) case set in 1982 follows the
founders through the earliest stages of company development examining idea genesis, harnessing of resources, and the handling of early missteps. The (B) case set in 2002 is a short note on progress of the company since inception to a key decision point on whether and how best to continue growth and expand the brand.

**Learning Objectives:** The Vera Bradley series is written to serve a number of purposes in a course on Entrepreneurship and Opportunity and can also be used in a course on Managing Growth.

The (A) case examines the different pathways to entrepreneurial success more often associated with seasoned, repeat entrepreneurs. It can be positioned nearer the end of an introductory course on entrepreneurship to drive home the point that successful ventures are not formulaic, involving the careful writing and execution of a business plan, but often depend upon characteristics and principles adhered to by the entrepreneurial leader(s).

The (B) case examines the challenges and impact on operations associated with the decision to expand the entrepreneurial venture through new strategic growth initiatives. It examines the business model integration necessary when innovations or changes in the product/service offering, target market segments, or revenue model necessitate changes in the company’s operational model (e.g., value chain, cost model, organizational and sales model).
Appirio: New Venture on a Cloud
Bala Iyer Professor, Tech OPs & Info Mgmt Division
Erik Noyes, Associate Professor, Entrepreneurship Division

Appirio, a cloud computing services and consulting business, is experiencing explosive growth buoyed by its successful strategic partnerships with Google and Salesforce.com. The company practices what it preaches—choosing to keep all of its systems in the cloud. Appirio's senior leadership team is convinced that building its venture in the cloud offers extreme competitive advantages in terms of agility, efficiency, ability to scale, and employee empowerment to drive rapid innovation. Will Appirio ascend to rocket heights, or are the skies darkening with challenges that will hurt a cloud pure-play such as Appirio? What lessons, if any, are there for other entrepreneurs hoping to turn their IT systems into an entrepreneurial growth engine?

BizTech:
Aligning Incentives with Strategy using Business Intelligence
PJ Guinan, Associate Professor, Tech OPs & Info Mgmt Division
Bala Iyer, Professor, Tech OPs & Info Mgmt Division
Sal Parise, Associate Professor, Tech OPs & Info Mgmt Division

Founded in 2001 by Tom Connolly, BizTech was recognized throughout the mid-Atlantic region as a leading information technology services firm. While Connolly believed BizTech had achieved good growth thus far ($15 million in revenues and approaching 100 employees), there were growth challenges going forward. Connolly believed significant improvement in measuring and reporting on performance could help take the firm to the next level. In particular, business analytics could be used to help BizTech employees understand and improve demand generation and opportunity management processes, which would eventually lead to a higher level of sales.

Boston Innovation District Turns Two
Dan Isenberg, Babson Executive Education

The Boston Innovation District (BID) case is set in May 2012 as Boston mayor’s Chief of Staff, Mitch Weiss, contemplates the 2+ years of achievements since Mayor Menino announced the launch of the BID. On one hand, the successes have been tangible, with hundreds of new jobs created, many hundreds more on the way, a flood of new and existing innovative companies moving to the BID, and an upsurge of new real estate developments. On the other hand, rising rents threaten to make the area unattractive for the entrepreneurs and the creative professionals who have given the BID so much of its appeal. Furthermore, there are hints that the real estate developers are not 100% aligned with the BID vision.
BSL: A Business School in Transition  
J.B. Kassarjian, Professor, Management Division

Katrin Muff, a Swiss serial entrepreneur in her thirties, is unexpectedly offered the opportunity to become Dean of her alma mater, Business School Lausanne. BSL is a small business school offering BBA, MBA, and DBA degrees, and it is part of the privately held and family-controlled Lemania Group of schools in Switzerland. Even though she is initially skeptical about her fit with an academic-administrator role, she decides that the challenge of reshaping her old school may present a rare opportunity to build an organization that could influence many lives.

With a 3-part video to accompany each of the three parts of this case series, it can be used in many settings and programs, to examine the challenges of driving change in a complex setting with competing constituencies.

Building a Women’s Hospital in Coimbatore, India  
Gaurab Bhardwaj, Associate Professor, Management Division

The case is about an entrepreneurial effort to build a hospital focused on women’s health in a mid-sized city in India called Coimbatore. As a lower-middle-income country with a poor state of health care, India presents a resource-poor setting in which to build a hospital.

Dr. M. Govindarajan (Dr. MGR) trained as an obstetrician and gynecologist in Canada and practiced there for several years before returning to her hometown of Coimbatore to bring high-quality medical care for women. Investing her own money and gradually expanding treatments, she builds a reputable center for women’s health affiliated with an established hospital. Several years later, she and her family decide to found a new, independent, high-quality hospital that would focus exclusively on women’s health, reach more women, and offer more treatments. Dr. MGR’s son, Jay, leads the venture, having studied business in the United States. The case provides an information-rich description of the changing state of the economy and the poor state of health care, which is undergoing big changes. Jay has to abandon their initial desire to target lower-income women, as it proves to be economically unviable. The focus shifts to higher-income women. With no success raising funds, the family invests almost all its wealth in the new venture. A chance meeting leads Jay to open a fertility clinic in a neighboring city to generate revenue with plans to open more such clinics in other cities. Dr. MGR expresses an interest in starting a blood bank and a specialized ambulance service. The case ends in June 2011 with the hospital opening delayed by several months. Meanwhile, a competitor has emerged with a name similar to theirs, having hired away some of their medical and paramedical professionals. In response, Jay considers acquiring an expensive machine based on a new technology to gain a competitive edge. Should he buy this machine? Given the larger contextual changes in the economy and the health-care sector, what other decisions should he make?

Drawing on case information, the teaching note provides additional background that an instructor unfamiliar with health care in India will find helpful. The note covers a wide territory, so instructors may select topics that best meet their teaching goals.
Case of the Co-Founders
Allan Cohen, Professor, Management Division
Nan Langowitz, Associate Dean, Olin Graduate School, Professor, Management Division
J.B. Kassarjian, Professor, Management Division
Melissa Manwaring, Lecturer, Management Division

This exercise is a simple two-party negotiation with the possibility of integrative solutions. Each student is placed in the position of a co-founder of a start-up firm. The firm was created by two colleagues who met in graduate business school. One party brings the technological expertise and innovation at the heart of the product idea, while the other brings financial resources and expertise. By the time they begin to seek funding, their relationship is deteriorating and conflicting interests emerge - in defining roles, allocating decision-making responsibilities and dividing equity. KB focuses on technical solutions and aims to use “green” solutions to change the world. JR focuses on business performance and aims to achieve funding, growth, and the potential to exit and “play again.” The roles are deliberately labeled only with initials so that each student can imagine himself or herself in the assigned role.

Crisis Communication Across a Global Supply Chain:
Foxconn, Apple and the Shenzen Suicide Factory
Laura Foote, no longer with Babson, Management Division

A series of worker suicides at a large consumer electronics factory in Shenzhen, China, suddenly threw the manufacturer Foxconn into the media spotlight, both in China and in the United States. Foxconn is the largest exporter in China, and a supplier to Apple, Dell, HP and others. However prior to these actual events in 2010, Foxconn had a low name recognition, both among US consumers and in the international media. The suicide incidents sparked a widespread international response. As a result, significant changes were implemented, both by Foxconn, in its labor operations and public relations, and by Apple, in its supplier relationships. The case asks students to evaluate the crisis response by both companies, and raises issues about transparency and stakeholder accountability.

Crisis Communication on a College Campus:
Norovirus Outbreak Hits Babson College
Laura Foote, no longer with Babson, Management Division

For any organization, a crisis puts a spotlight on leadership, since the timing of key decisions can either intensify or alleviate the crisis. In the wake of the shooting tragedy at Virginia Tech in 2007, many educational institutions have sought to prepare their leadership teams to respond to a variety of unexpected events, from natural disasters to hacking. This case depicts the crisis response of the Dean's office at Babson College, when a flu outbreak led to closing the campus and served as a practice drill for potentially more serious threats. The case also introduces a framework for crisis response by an organization.
Entrepreneurship in the Trenches: Bayco Electronics Cases (Alcott, NRIC Projects)
Farshad Rafii, Associate Professor, Tech OPs & Info Mgmt Division

This is a two-case series on entrepreneurial leadership, dealing with two separate internal ventures started by two aspiring entrepreneurial leaders in a (disguised) large electronics company. One venture succeeded and the other failed, providing a pedagogically powerful setup for discussing and understanding drivers of success in corporate entrepreneurship; the effect of the entrepreneurial leader’s attributes and actions; and the importance of using business intelligence/analytics in decision making. Ensuring sufficient capacity to serve demand is one of the most critical challenges in managing service operations. Having insufficient capacity — over the course of the lunch hour, throughout the day, from week to week, over the course of the season, the year, or longer — results in long lines, long waits, and customer departure. Having too much capacity, on the other hand, results in excess worker idleness, low worker utilization and therefore, unnecessarily high costs.

Exploring New Business Opportunities at LoJack
Donna Kelley, Associate Professor, Entrepreneurship Division

LoJack Corporation built a successful position as the global leader in tracking and recovering stolen vehicles. Based on radio frequency (RF) technology, the LoJack system is installed in vehicles by automobile dealers, and is not visible to thieves. When a car is stolen, the unit emits an activation code that is detected by tracking units, allowing law enforcement agencies to locate the vehicle. LoJack signals can penetrate buildings and containers: an advantage over competitors like GPS-based systems. At the time of the case, LoJack was facing increased competition, slow growth in the automobile industry, and a world-wide recession. Main discussion points center on whether exploring new business horizons is a good idea given these conditions, how a company can extend its strategic boundaries through corporate entrepreneurship, and how to evaluate new business opportunities in a corporate environment.

Intelligent Medicine: The Novartis-Proteus Alliance
Anirudh Dhebar, Professor, Marketing Division

Novartis’s potential application of smart-pill technology for improved drug compliance is the primary focus of this case. The case summarizes the nature and magnitude of the drug noncompliance problem, describes some of the competing solutions to address the problem, outlines Proteus’s technology in this context, profiles the Proteus and Novartis enterprises, and concludes by characterizing the challenge in front of Novartis as it decides which pill(s) to make smart and how best to market the smart pill(s). The proposed thrust of the case study is not the decisions themselves but the preparatory marketing research necessary for informatively making the decisions.
MetaCarta: Growing a Company, Do We Take the VC Money?
Andrew Zacharakis, Professor, Entrepreneurship Division

Doug Brenhouse, John Frank and Eric Rauch developed a new search technology that converts text names into geographic maps. When the project was initiated in 1999, the business model was going to be advertisement-driven. With the dot-com bust, MetaCarta had to change course to sell the platform to government agencies and businesses, particularly in oil and gas. The main focus of the case is on financing. The case concludes with an offer from Sevin Rosen, a premier venture capital firm, that has significant implications for the founders and earlier round investors. The case is particularly useful to illustrate capitalization tables. It shows how equity is diluted with subsequent rounds and what the implied value of the company is at various stages.

Note on Managing Capacity and Demand in Service Operations
Farshad Rafii, Associate Professor, Tech OPs & Info Mgmt Division

This note aids instructors in teaching cases about managing service operations. It is appropriate for a variety of lessons dealing with service operations. The note focuses on the inherently challenging task of ensuring that service operations have the right type and amount of capacity at the right time, namely, when the customer demands it. This is a challenge because customer demand for services typically involves both seasonal and random variability, requiring service operations to vary the level of services provided over different time periods (hours, days, months, years) and to provide a capacity cushion to absorb unpredictable variations in demand. This note presents different short- and long-terms strategies for matching service capacity with demand, along with the costs and benefits of each. It concludes with a discussion of some tactics to manage customers’ perceptions of service quality.

Saving the Children of Costa Rica (B)
Candy Brush, Professor/Division Chair, Entrepreneurship Division

This case is a continuation of Saving the Children of Costa Rica - B Case, where Dr. Charles Gartrell has launched a new non-profit organization and is struggling to make ends meet. The case offers an opportunity for students to think about novel ways to raise money, develop strategic partnerships, and for an organization trying to solve a serious social problem - the provision of medical and educational services for the population of poor barrio children.

Shorewood Soups: To B2C or Not to B2C?
Gary Ottley, Lecturer, Marketing Division

Shorewood Soups has grown in size and strength since its inception in the 1980s to a company known for its authentic soup products. It is a tiny fish in a large pond, but it has built a strong brand identity with its cooking and production practices, its commitment to refrain from using additives or preservatives and its great-tasting soups. With about $100 million in revenues, the firm needs to take the next step and set an aggressive goal of growing the company from $100M to $200M in revenue in the next five years. While the company is largely a foodservice and bulk retail (B2B) company, a key part of the growth strategy involves investing in growing the relatively small consumer products line. This goal poses significant marketing and
organizational challenges. For the marketing strategy to be successful, Shorewood Soups needs to manage the transition internally. Students are put in the role of the company's VP of Marketing (Kevin O'Leary), and must (a) consider the strategic goal placed before him (double sales in five years), (b) consider whether the current positioning and brand identity of the company fits the strategic goal, (c) explore alternative “niche” positioning options, such as catering to the gluten-free market, (d) determine the most effective tactical marketing plan to achieve that goal, and (e) proactively manage the organizational effects of those plans.

**Theo Chocolate**
Michael Cummings, Faculty Director, FastTrack, Management Division
Gary Ottley, Lecturer, Marketing Division

Theo Chocolate is a small start-up chocolate manufacturer struggling to establish brand recognition in the highly competitive branded gourmet chocolate segment. Theo's unique value proposition - being “the only organic, Fair-Trade, bean-to-bar chocolate factory in the United States” - drives its business. Socially responsible business practices are cornerstones of the company's operations. After three years, Theo had built a loyal, growing following by forging a brand based on its value proposition and everyday business practices. However, despite steady improvements in all financial indicators, to date Theo has not been profitable – the company expected to break “into the black” in its fourth year. The case explores the challenges the key players face as the company emerges from the first stage of the entrepreneurial venture. The key issue is whether Theo can afford to stay true to the strategy and value proposition that has defined its existence. The case provides students an opportunity to wrestle with very real issues that idealistic entrepreneurs face – compromising principles, brand-building, managing cash flow and planning for the future.

**Toto, Ltd.**
Kenichi Matsuno, Associate Professor, Marketing Division

Headquartered in Tokyo, Japan, Toto Ltd. was a global manufacturer of kitchen and bathroom equipment, fixtures and similar products. The company was a leader in product innovation in the kitchen, bathroom and plumbing categories. One of its products, called a “Washlet,” was an electronic toilet seat with multiple functions: heating, showering, drying, and deodorizing. Students are asked to conduct research to estimate potential market size for the Washlet product line in both Egypt and the United States. The case familiarizes students with market research; provides experience conducting secondary data/information searches; heighten the awareness of critical linkages between marketing decision needs, marketing actions, and market research questions; exposes students to the Fermi estimation approach; and promotes students’ understanding of the fact that quality of assumptions improves as knowledge of a competitive environment increases.
**Trump in Scotland**  
Wendy Jeffus, Lecturer, Finance Division

Sarah Malone, director of the Gordon Highlanders Museum in Aberdeen, Scotland, was taken aback by an unsolicited phone call from a New York headhunter asking her to discuss an opportunity with Trump International Golf Links Scotland. During her six years as museum director, she had overseen an expansion that helped boost the museum’s visitors to more than 30,000. She enjoyed the intellectual journey her position brought, along with her role promoting and maintaining Scotland’s dynamic heritage.

Malone was familiar with the well-publicized trouble Donald Trump was having with the Scottish government, environmental groups and local citizens as he sought approval for his project. As she considered this new opportunity, she knew there must be another side to the debate. The position would require her to articulate the benefits the golf course could bring to her community. What if she were offered a position with the Trump Organization? Would this move be good for her career? More important, would Trump’s proposed investment be good for Scotland?