

## *Guidance in Applying for S356 2009-10*

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### Who should apply and what are we looking for?

See the **S356 Course Overview** for detailed information on course objectives, structure, time requirements, team composition, grading, etc. While a number of teams do go on to start the venture explored in S356, the course is not designed only for students with immediate entrepreneurial aspirations. Students seeking a sound understanding of the early stage entrepreneurial process through practical field work, classroom discussion, and faculty interaction are encouraged to apply. Students should feel free to submit proposals for any venture ideas that they would like considered for admission to the class. In particular, intentionally non-profit ventures will be considered, as many of the steps taken in this course apply to such organizations. Selection of teams will be based on the instructors' assessment of the overall potential for learning for each team and its idea. Because we have historically had more applicants than spots available, we may not be able to admit all qualified teams or ideas. To help you assess the appropriateness of your idea and team for the course, we offer the following specific criteria and guidelines.

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### Specific Evaluation Criteria

1. Appropriate Composition of Team
    - Are technical requirements met? (See details in **S356 Course Overview**.)
    - Sufficient breadth and depth of skills on team to evaluate idea?
  
  2. Applicability of the S356 Business Planning Process to Evaluating the Idea
    - Venture Viability Research
    - Human Resource and Management Team Planning
    - Sales and Marketing Planning
    - Operational Planning
    - Financial Modeling
    - Financing and Capital Structure Planning
    - Can the team conduct primary venture viability research?
    - Is the venture sufficiently operational in nature (vs. transactional)?
    - Is there sufficient business complexity to evaluate sales/distribution/operational issues?
    - Is the business of sufficient scale to provide a robust context for assessment?
  
  3. Strength and Sustainability of Idea
    - Is the market large enough to potentially attract funding?
    - Is there sufficient flexibility to refocus the idea if initial viability research is negative?
    - Is the idea based on sound economic principles?
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### Favorable

- Proposal emphasizes how applicable the S356 process will be to evaluating the idea rather than on selling the business and its profit potential.
- Idea is narrow enough to define an economic model, identify customers, & conduct viability research.
- Idea is broad enough that it can survive discovery of some unfavorable information and be redirected.
- Idea is of a scale that involves sufficient complexity of management issues. (Coffee Cart – Not so good).

### Unfavorable

- Idea has no clear economic model, or reasonably identifiable source of revenue.
- Process idea without a business concept (a search fund, venture fund, general consulting practice).
- Idea is too broad to apply the key S356 steps (e.g., take advantage of privatization in China).
- Idea is so narrow that if one step in the process hits a road block, redirection is impossible.
- Information is unavailable through secondary research & the team can't conduct primary viability research. (Gardening services in Chad may be a good idea, but conducting primary research may not be practical).

It is worth reemphasizing that there likely will be insufficient capacity to accept all qualified proposals. Lack of acceptance does not mean the faculty question business viability or team quality, but simply that they have concluded other projects offer students a greater potential for learning within the context of the S356 structure.