

**Global E-Lab (G-Lab): 15.389**  
Fall 2004, IAP and H1 Spring 2005  
Tuesdays /Thursdays, 4:00-5:30pm, E51-345

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A new form of entrepreneurship is developing. Instead of focusing just on one country, today's innovative startups are increasingly looking globally for ideas, funding, people and markets. This is particularly true for new companies in various emerging markets but it is also important for many start-ups in the more developed economies (e.g., US, Western Europe and Asia).

G-Lab has four goals:

- 1) To familiarize students with the issues and challenges facing global startups.
- 2) To provide students with the experience of working in a "global" startup. These companies are either based outside the US or are in the US and trying to go global at a very early stage in their development.
- 3) To allow students to build networks of contacts with entrepreneurs and venture capitalists around the world. We very much hope that this will lead to career opportunities in a wide range of industries and countries. We also hope your experience will help you decide whether, when and how you would like to work as a global entrepreneur.
- 4) To offer high quality advice for global startups. We would like MIT Sloan to become the first place that global startups look for advice and help. This is an important goal for you, the MIT Entrepreneurship Center and all future generations of MIT students.

The heart of G-Lab is an internship, for teams of 4 students, which will last at least three weeks in January. You will work with the senior management of a start-up on issues of primary importance to their company's success and growth. Information about GLAB companies, projects and students backgrounds will be posted on Sloanspace.

On **October 28** a "mixer" will be organized to facilitate team formation.

Bidding forms will be distributed on **October 26** and are due on **October 29 at noon**. The results of the bidding process will be posted on the course web site by **November 1**.

At the end of your internship, you will deliver a report to the company. In H1 of the Spring Semester we will discuss your experiences and talk in more detail with some of the companies. Your final deliverable is a report that reflects on what you have learned and makes further suggestions for the company. You will need to demonstrate your detailed understanding of the company and its business.

### **Course Requirements**

- 1) Regular class attendance in **both** H2 Fall and H1 Spring. Participation in class and small-group interactions will account for **25 percent** of the grade. We will cold call students throughout every session. Attendance at every class is expected. Please talk to us if you need to miss a class. We are willing to consider any reasonable explanation for why you can't attend class, but each unexplained absence reduces your grade by 5 percent. **Missing 3 classes constitutes an automatic failure of the course.**
- 2) You need to build a team with diverse and complementary skills. This is the key to success in your internship. Think carefully about the people you want to work with and how you will allocate responsibilities within your team. We will help you as much as possible, but ultimately team selection and operation is your responsibility. This activity is not graded directly, but it will have a major effect on your performance throughout the course. **By November 23** you need to submit a detailed project plan for your work with the company. We will provide you with a template to be used to develop this detailed work plan. We will give you feedback on this plan, but it will not count towards your grade. The preparation work that you do for your project, however, will be graded and is a crucial part of your project (see below).

**Very Important:** There will also be an intra-team evaluation at the end H1 Spring (i.e., you get to say who did the work).

- 3) Internship with the Company. We will help you find the company and define the project in general terms. One TA and/or one faculty member will work with each group to help on all aspects. However, you are ultimately responsible for negotiating all the details. Your diligence in dealing with the company, including all aspects of follow-up with them counts for **15 percent** of the grade. Our evaluation will be based on our conversations with your group, the TA who helps your group and the company managers you work with.
- 4) Deliverable to the company. The goal of each internship is to produce written material (e.g., recommendations/advice) that is immediately useful to the company. This will count for **25 percent** of the grade. This deliverable will consist of two parts of equal value. The first part consists of the preparation work you do before your internship (industry/ country research, competitor benchmarks, etc.) and should be handed in on **November 23** together with

your project plan. The second part will be the final deliverable to the company where you address the results of your internship. You are responsible for negotiating a set of deliverables that is as useful as possible to the company. Our expectation is that the January internship will take place outside the US. We have reached a general agreement with the start-ups as to the terms and conditions of the internship, but you are responsible for negotiating all the details with the company.

- 5) Class Discussion. Most of the H1 Spring classes will be structured around the companies you have worked with, possibly including (whenever possible) a live interaction with the CEO (by phone or in person.) The presentation and discussion of this report will count for **10 percent**. Specifically, you need to do the following:
  - a) One day before the first class in H1 Spring (**January 31 ,2005**) , all teams should provide the TAs with the set of PowerPoint slides that you would use to make your presentation to the class .
  - b) All teams will **present either to the full class or just to the faculty**. Given time limitations we will not be able to discuss all cases in class, so we will select those most useful for overall learning.
  - c) Each presentation should include the following: (i) the nature of the company and its current issues, (ii) how the team was able to help, (iii) what are the important open issues remaining for the company, and (iv) what team members themselves learned from this experience. Each presentation should take about 15-20 minutes, allowing 10-15 minutes for question and answer. Think of this as a mini-case discussion. One of the faculty will moderate the discussion of your case. Any additional background information that would be useful for these sessions will be posted on the course web site in advance of the case discussion.
  
- 6) Final Report. The written final report is due at the start of the last class of H1 Spring (**March 11, 2005**). The final written product will count for **25 percent** of the grade. This report should focus on showing that you understand thoroughly the company and its value proposition. In addition, you should integrate material relevant to the four goals of G-Lab, as outlined on page one of this syllabus. For example, what specific issues does the company face because of where it is located? How exactly did you add value? How exactly have you added to your network of contacts? You should also provide reasonable forecasts for the future of the company, given your projections of the relevant macroeconomic and microeconomic environment. The final report should be 20 double-spaced pages of text, plus any tables and appendices that help the reader. One required appendix is the Resource Report, which is your team's compilation of all relevant resources on which you relied to get your project done efficiently. This will include not just bibliographical and standard research and trade industry data, but practical, networking and/or entrepreneurial resources you drew on. We will discuss the Resource Report and its content in

class. Note that in previous years, outstanding teams have prepared their final report in a form that can be used effectively as a teaching case in MBA classes. We encourage this approach but do not require it.

### Course Credit

Global E-Lab is a 12-credit course. You earn 6 credits in the fall and 6 credits in the spring. You should factor this into your overall fall and spring credit limits that apply to your program. You cannot allocate these credits in any other way and you cannot allocate any of these credits to IAP.

You will receive a "T" grade at the end of the Fall semester for the course. This is a continuation grade that appears for MIT administrative purposes. A final grade will be applied at the end of the Spring semester when you have completed all work. You must complete all the work in the fall, IAP and the spring to receive credit. Partial credit is not given. Registration for the spring semester will be done automatically. You need not re-bid for the course.

### Other Important Points

- 1) Sloanspace should be monitored closely. This web site has important information about the course as well as about the companies.
- 2) Information about the companies will be posted on the website. Each company will have one TA or one faculty member assigned to it. If you have further questions for the company (until the final matching of teams and companies is complete), please ask the appropriate Faculty or TA to ask the company. This is to avoid too many different groups contacting the companies.
- 3) Each group will work with a specific faculty member or with one of the TAs, whose job it is to make sure that the group functions normally. Faculty or TAs will meet with each group on a regular basis during H2 Fall.
- 4) To facilitate team building and to enable the companies to get to know you, please post your resumes on the course website. It is very important that you register on this website as soon as possible, in order to see information about companies and other students.
- 5) Overheads and handouts will be posted on the course website. Please check this regularly and particularly before each class. All the materials for each class should be posted the evening before class; but please check for late breaking items posted before noon on the day of class.
- 6) Office Hours
  - a) Richard Locke has regular office hours on Fridays 2-5pm. Locke will schedule additional appointments for those students who can not make his

Friday office hours. There is a sign up sheet next to Jackie Curreri's (Locke's assistant) desk. Please, sign up for a slot.

- b) Shari Loessberg's office hours are Mondays 1-4pm, Thursdays 10:30 – 12:30pm. She is also available at other times by appointment. Please contact her directly by email to sign up.

## Schedule for H2 of Fall 2004

**The primary goal of these sessions is to prepare you for the January internship.**

There will be a moderate amount of reading for each session; please keep in mind that everything we ask you to do is designed to make your internship more successful from all perspectives. This part of the course will focus on a series of challenges facing most start-ups and tools/frameworks that you can use when working with them.

### **1) Tuesday, October 26: Introduction and Course Overview.**

Organization of the class, goals, and expectations.

Through case discussion of S & V Consultoria, we will review some common challenges most start-ups face and most likely you will work on during your internship.

Case: S & V Consultoria

**Conference call Pennido Stahlberg, Co-founder and CEO, and Fredy Valente, Co-founder and CTO, S&V Consultoria**

### **2) Thursday, October 28: Team Building Mixer**

This session will consist of an informal “mixer” in which students with similar interests can meet one another and create GLAB teams.

**GLAB Bidding Form due on Friday, October 29 at noon outside Locke’s office (E52-589).**

### **3) Tuesday, November 2: G-lab’s Resource Bank: Focus on Capital Raising Strategies.**

This session will introduce the G-Lab Resource Bank, which we are launching to leverage the power of G-Lab’s brand and to institutionalize our networks and our teams’ learning. Using an overview lecture on capital raising strategies for younger companies as a lens, we will focus on how to identify the resources and build the networks that so often distinguish the successful, truly entrepreneurial endeavor. We will cover basic categories of start up capital ranging from customer and vendor financing to public investments by multi-lateral organizations, to international and domestic private equity and venture capital. We will also provide starting points for deeper research and context for each of the major categories highlighted in the lecture. The final portion of class will be

devoted to a discussion of how best to build the Resource Report for individual countries and projects.

#### **4) Thursday, November 4: Building Effective Teams**

This session will consist of an introduction to the concept of X-teams and what makes them effective, as well as a video of a successful X-team. This material will provide the background for you to set up your own X-teams and to plan for the key team activities that must take place if you to be successful

Guest speaker: Professor Deborah Ancona

Readings (posted on Sloanspace):

- Exportation – Getting your proposal/project accepted by others
- Building effective teams
- A. Deborah, B. Henrik and K. Katrin, *The comparative advantage of X-teams*, MIT Sloan Management Review, Spring 2002 – Volume 43 – No. 3, Pages 32-40.

#### **5) Tuesday, November 9: Being an Entrepreneur**

This session will consist of a panel discussion with several entrepreneurs from different emerging markets. The goal of this session is familiarize you with the key challenges and major opportunities entrepreneurs face trying to build start-ups in several of the countries GLAB teams will visit.

#### **6) Thursday, November 11: No class. Veteran's Day Holiday.**

#### **7) Tuesday, November 16: Internationalization Strategies.**

Most of your projects will involve an internationalization dimension. For example, should the company take its product out of its home country? When, how exactly and to where? We will focus this discussion around a former GLAB project, Color 9, a clay animation/film company located in Montevideo, Uruguay.

Case: Color 9/Tatitos

**Conference call with Diego Silva Pintos, CEO and Co-founder of Color 9**

#### **8) Thursday, November 18: Defining Your Target Market**

Many innovative start-ups have developed an innovative product and/or process with multiple potential applications. What are the best applications for the technology? In what parts of the value chain should the start-up invest/ Which

aspects of the business should be out-sourced? What should the next product or process be? Through a case discuss of SMaL Camera Technologies, we will discuss some of these issues.

HBS case: "Making SMaL Big: SMaL Camera Technologies", HBS Case # 9-603-116

### **9) Tuesday, November 23: Organizational Development/Human Resource Management**

As start-ups grow (and the successful ones actually do), they face an array of organizational design and process challenges, as well as human resource management issues. Through a discussion of Spotfire Case, we will analyze some of these issues and provide you with some tools/frameworks that may help you provide practical advice to your companies.

Some issues to consider while studying the Spotfire case:

1. The company moved its headquarters from Goteborg to Boston/Cambridge. Whose idea was that? Why?
2. In the life of a high tech start up company, when is the right time to recruit someone like Rock to team up with someone like Chris? What does it take to make the relationship successful?

Case: Spotfire [HBS Case # 9-899-078]

### **10) Thursday, November 25: No Class. Thanksgiving Holiday**

### **11) Tuesday, November 30: Sales and Marketing**

In this class, Ken Morse will speak about the sales and marketing challenges faced by Startup companies. Among other things, he will revisit the spotfire case from a Sales and Marketing perspective.

Some issues to consider while studying the Spotfire case:

3. The company's original plan was to sell its graphics tools to a wide range of industries. Spotfire received its first ("A") round of venture capital funding from a Swedish firm to pursue that "horizontal" marketing plan. Subsequently the company changed its strategy initially to focus on only one industry ("vertical marketing").
  - Why did they change their strategy?
  - Which industry did they select? Why?
  - Who suggested the change in strategy? Why?

Guest Speaker: Ken Morse

## 12) Thursday, December 2: Wrap-Up

IAP runs from Monday, January 3 to Friday, January 28. Your internship should last between 3-4 weeks. The whole team should arrive at and leave the company together.

**VERY IMPORTANT.** You should provide your company with a written report or slide presentation of your recommendations BEFORE coming home.

Your slides for potential in-class presentation are due at noon on Monday, January 31. They should be delivered to Professor Locke.

H1 Spring: Tuesdays/Thursdays 4-5:30, E51-345

The primary goal of these sessions is to enable you to reflect on what you have learned from the internship, personally and professionally. Each group is expected to make a brief presentation of what it has learned at some point during H1, with a particular focus on understanding the company and its value proposition. A detailed schedule of the Spring H1 Sessions will be distributed at the beginning of Spring Term.