

E202 B SUM25 Building a Scalable Business

Course Summary

The businesses that we will examine are relatively small firms that are aiming to become big ones. The challenges in these growing enterprises are different from those in the 'professionally' managed, large companies that we typically examine at LBS. Not least, because the threat of failure is so much higher. We know that most new ventures fail within their first 3 years of existence and that most failures are related to inability to grow. Our mission in BSB is to ensure that LBS graduates know where the major pitfalls are, how to avoid them, and what to do to increase the chances of success after the start-up phase.

In the course, we will take an entrepreneurial strategy perspective to examine how to navigate the intricacies of establishing growth-focused businesses in the face of real-world entrepreneurial challenges, such as limited resources, substantial uncertainty, rapid technological advancements, and a natural inclination towards taking action. The core assumption we will rely on is that a single technology or concept can give rise to entirely different ventures, each armed with unique growth strategies. To choose among these strategies, we will learn an integrated and practical framework designed to foster growth-oriented entrepreneurship. Within this framework, we will explore four fundamental strategies that can be applied to nascent ideas during their early stages, transforming them into valuable and enduring companies: disruption, value-chain, architecture, and IP strategy. We will learn how to choose between these alternate strategies and practice designing and executing them effectively within the context of specific companies and unique situations.

Finally, the course will explore the key dilemmas associated managing people and teams in a growing venture. We will learn strategies to navigate equity splits with cofounders, managing boards, dismissing founders and employees, and keeping control while growing.

By the end of the course, you will be well-equipped to tackle the challenges and opportunities that arise on the entrepreneurial journey, armed with a comprehensive toolkit for strategic decision-making and growth-focused entrepreneurship. The course is designed to give you a road map of the likely issues that you will face in a high growth enterprise. The main objectives are to:

- Give you an insight into what running an early stage growing business actually entails.
- Provide an overview of the major strategic and organizational issues that typically confront young growing businesses.

- Provide a framework for anticipating the likely growth issues in the business.
- Interact with founders and growing businesses through LBS cases and guests
- Collaborate as a team to apply the framework learned in this course to famous startup failure cases as a final group project

The course combines interactive lectures, case analyses, simulations, negotiations, and direct engagement with start-up founders, executives, and others with first-hand experience of growing organisations and businesses. The course draws on a rapidly emerging body of research in entrepreneurial strategy and organizations that moves beyond the “one size fits all” approach to start-ups and instead focuses on the key choices that founders face as they start and scale their business. The cases and assignments offer an opportunity to integrate and apply frameworks in a practical way, and draw from a diverse range of industries and settings.

CLASS BACKGROUND AND PREPARATION

The class may be particularly appropriate for those seeking to:

- (a) Found a growth-oriented start-up
- (b) Join a start-up company with influence on strategy development or implementation
- (c) Fund start-ups as an investment professional
- (d) Consult start-ups or innovation-driven firms in fast-moving environments

You should be prepared for every class. The class is highly interactive. For readings, consider how core choices facing entrepreneurs might be made in light of the framework in the reading, and how you might utilise key insights in practice. For cases, identify the key choices facing the protagonists, evaluate alternative approaches to these problems (including what additional information you might need to gather to make a clear decision), and think about the course of action you would recommend and why. Group work (and study groups) are critical; effective group cooperation is crucial to a valuable class experience.

Canvas will be used extensively as a course website. The site is a critical complement to the lectures. Canvas includes non-case-packet readings, links to points of interest (e.g., company and speakers' websites), and supplementary reading materials, reading guides, and lecture slides. Canvas includes key course information such as the syllabus, assignments, due dates, and updates. Material on Canvas will be assumed to have been reviewed and downloaded.

Learning Outcomes

On successful completion of this course, you will be able to:

- Provide students with tools and frameworks to create a viable, scalable strategic plan for fast growth. Help students determine which approach to growth is most viable for their organization.
- Have a clear understanding of the key characteristics of the four key choices that underlie entrepreneurial strategies:
 - Customer, Organization, Technology and Competition.
- Understand the principles of four generic entrepreneurial strategies:
 - Architecture, Intellectual Property, Value Chain, and Disruption
 - What is the key value creation and value capture hypothesis that underlies them?
 - How do these map into a unique choice of customer, identity, technology, and competition?
- Apply the frameworks to choose an entrepreneurial strategy for a new idea or evaluate a strategy for an existing idea.
- Explore effective leadership strategies to manage a growing venture. Understand the key steps that involve:
 - managing the board of directors,
 - replacing founders and dismissing employees
 - negotiating equity splits with cofounders

• 1. Assessment Table

Assessment	Weightings	Group/ Individual
Class Participation	15%	Individual
Pre-Class Polls	10%	Individual

Individual Assignments (choose two of four)	35%	Individual
Group Project Report	40%	Group