

CASE MAP

Kuratko, Donald F. & Hodgetts, Richard M., "Entrepreneurship: Theory, Process and Practice", 7/e
(Cengage Learning, 2007)

Prepared by Vanessa M. Strike, Ph.D. Candidate

Chapter and Title	Chapter Matches: Case Information
<p>Chapter 1: The Revolutionary Impact of Entrepreneurship</p>	<p>Case #: 9B04M054 TAKAHIKO NARAKI, THE THREE MILLION YEN ENTREPRENEUR <i>Eric Morse, Jason Inch</i></p> <p>Takahiko Naraki is a young entrepreneur in Japan who is trying to make his Internet-based business model work in the challenging Tokyo business world, and must make a key decision: whether and how to expand his business. In addition to discussing the work-life balance of entrepreneurs in general, and this one Japanese entrepreneur in particular, the case also introduces aspects of the Japanese entrepreneurial environment including the importance of networking, the business laws regulating entrepreneurial activity, social perceptions of entrepreneurship, and the capital market for small companies in Japan.</p> <p>Teaching Note: 8B04M54, (6 pages) Industry: Business Services Issues: Networks, Internet Marketing, Entrepreneurial Business Growth, Work-life Balance Setting: Japan, Small organization, 2003 Difficulty: 4 - Undergraduate/MBA Length: 12 pages</p> <hr/> <p>Case #: 9A96M001 CORAL DIVERS RESORT <i>Paul W. Beamish, Kent E. Neupert</i></p> <p>Date Revised: 8/17/2001 The owner of a small scuba diving operation in the Bahamas is reassessing his strategic direction in the light of declining revenues. Among the changes being considered are shark diving, family diving, exit, and shifting operations to another Caribbean location. These options are not easily combined, nor are they subtle. The case is intended to provide a work-out on the relationship between strategy, organization and performance, and how changes in strategy will dramatically affect the organization. The case also highlights the importance of understanding demographic changes as part of an environmental analysis. (A nine-minute video can be purchased with this case, video 7A96M001.)</p> <p>Teaching Note: 8A96M01, (15 pages) Industry: Miscellaneous Services Issues: Industry Analysis, Services, Small Business, Strategic Change Setting: Bahamas, Small organization, 1995 Difficulty: 4 - Undergraduate/MBA Length: 21 pages</p> <hr/> <p>Case #: 9B01D009 COLLEGE HOME SAFETY INC. <i>James A. Erskine, Morley Ivers</i></p> <p>Date Revised: 9/17/2002 Two entrepreneurial students want to launch their new business called College Home Safety Inc. College Home Safety consists of high school and university</p>

	<p>students selling carbon dioxide detectors door-to-door. The two entrepreneurs felt strongly about this new business as it would provide jobs for students and address a safety concern that had been increasing in the past few years. The advice they received from a professional accountant was not what they expected. Told they would lose their shirts and to reconsider their concept and start-up plan, they only had a few months left before the launch date to decide whether or not to proceed with the venture.</p> <p>Teaching Note: 8B01D09, (8 pages) Industry: Miscellaneous Retail Issues: New Enterprises, Planning, Venture Capital Setting: Canada, Small organization, 2000 Difficulty: 4 - Undergraduate/MBA Length: 16 pages</p>
<p>Chapter 2: The Evolutionary Development of Entrepreneurship</p>	<p>Case #: 9B01C031 BRUCE CRUICKSHANK <i>Joerg Dietz, Anoop Malhotra</i></p> <p>As a family man and the president of a small consulting company, Bruce Cruickshank has a lot of hats to wear. Bruce is passionate about his business and enjoys his work, but the pressures of balancing professional life and family life are beginning to take a physical and mental toll. Bruce has a plan in mind for streamlining and expanding his business, but, as it is, he already feels pressed for time to get things accomplished at the office. His assistant is just as busy with her own duties, and it's difficult to make the time to find, hire and train a new employee. At home, Bruce's wife wishes they could spend more time together. As well, Bruce is a devoted father, and being with his children is important to him. The challenges involved in successfully combining his professional life with his family life and leisure time are uppermost in Bruce's thoughts, and he wants to find a healthier balance for the future.</p> <p>Teaching Note: 8B01C31, (21 pages) Industry: Business Services Issues: Organizational Behaviour, Personal Values, Family-Work Interaction Setting: Canada, Small organization, 2001 Difficulty: 4 - Undergraduate/MBA Length: 10 pages</p> <hr/> <p>Case #: 9B00C016 WAYNE DAWSON: GENERATION X <i>James A. Erskine, Marvin Esser</i></p> <p>Date Revised: 5/30/2000 A rapidly changing social, economic and technical environment have led to a difficult career situation for a young man with an entrepreneurial spirit who feels trapped in his position. He explores several available options to change his environment, including pursuing his own business, returning to the career for which he was formally trained, switching careers, returning to school, or staying where he is.</p> <p>Teaching Note: 8B00C16, (8 pages) Industry: Furniture and Fixtures Issues: Career Development, Career Planning Setting: Canada, Small organization, 2000 Difficulty: 4 - Undergraduate/MBA Length: 13 pages</p>
<p>Chapter 3: Corporate Entrepreneurship: Developing the Entrepreneurial Mind-Set</p>	<p>Case #: 9B04M061 BIOVELOCITY <i>Elena Skliarenko</i></p> <p>BioveloCity is a specialized networking and information source that would assist in the development and successful growth of a life sciences related community. The</p>

<p>in Organizations</p>	<p>chief executive officer was preparing to present to the board the recently launched web-based portal as a potential source for raising funds. His concern was whether to commercialize the program or look for other alternatives, as well as determining what kind of additional research should be done.</p> <p>Teaching Note: 8B04M61, (6 pages) Industry: Business Services Issues: Technology, Generating Profit from New Technology, Market Entry, Entrepreneurial Finance Setting: Canada, Small organization, 2004 Difficulty: 4 - Undergraduate/MBA Length: 4 pages</p> <hr/> <p>Case #: 9B02M015 EXTREME CCTV <i>Stewart Thornhill, Ken Mark</i></p> <p>Extreme CCTV, a start-up company that specializes in closed circuit television equipment, is looking at purchasing one of its distribution partners, Derwent Systems Ltd - a leading European manufacturer of infrared illuminators. The two companies have been successful in promoting the others products in their respective markets, now Derwent's founder wants to retire. Without Derwent's founder, Extreme CCTV will lose the ability to sell complementary Derwent products in North America and will have to look for another way to distribute its products in the European market. The president and founder of Extreme CCTV has to decide whether or not he should proceed with the purchase of Derwent Systems Ltd. and how he would manage both companies while preparing for an initial public offer.</p> <p>Teaching Note: 8B02M15, (5 pages) Industry: Electric & Electronic Equipment Supplies Issues: Corporate Strategy, Mergers & Acquisitions, Growth Setting: Canada/United Kingdom, Small organization, 2001 Difficulty: 4 - Undergraduate/MBA Length: 19 pages</p> <hr/> <p>Case #: 9A99TB14 Developing Entrepreneurial Growth <i>John H. Eggers</i></p> <p>Many CEOs are asking themselves "How can my organization become more entrepreneurial?" The author suggests four key factors that drive entrepreneurial growth in any organization: the window of competitive advantage and the market's potential size, psychological characteristics that lead individuals to desire and embrace growth, the skill capacity of individuals to effectively manage and lead growth, and, an organizational culture that promotes growth and encourages employees to exploit new market opportunities. Fortunately, these factors can be learned and measured so business leaders can understand and use this knowledge to help their firm grow into a successful entrepreneurial organization.</p> <p>Issues: Growth Length: 8 pages</p>
<p>Chapter 4: The Entrepreneurial Mind-Set in Individuals</p>	<p>Case #: 9B04M049 BARRIE CHARITY BINGO <i>Eric Morse, Joe Bubel</i></p> <p>The owner of a large bingo facility recently bought out his only competitor, but this purchase is putting a financial drain on his company. An impending smoking by-law could reduce the number of customers, putting a strain on both businesses. As part of the purchasing agreement, one facility must close, leaving the owner with a large building on prime land, which was of little use to him. With the vacant building costing him hundred of dollars per day to maintain, he must decide</p>

	<p>whether to sell the building, rent it out, or use it as a self-storage facility.</p> <p>Teaching Note: 8B04M49, (8 pages) Industry: Amusement and Recreation Services Issues: Growth, Opportunity Recognition, Business Development Setting: Canada, Small organization, 2002 Difficulty: 4 - Undergraduate/MBA Length: 5 pages</p> <hr/> <p>Case #: 9B04M002 KALISTA'S FINE CHOCOLATE <i>Eric Morse, Paul Artiuch</i></p> <p>Kalista's Fine Chocolate is a home-base business that produces high-quality chocolate products. The company has been very successful and had purchased a kiosk at local mall to accommodate the increase in business, but the demand for Kalista's products is still growing and the owners must decide whether to move into a larger space or continue working out of their home.</p> <p>Teaching Note: 8B04M02, (11 pages) Industry: Food and Kindred Products Issues: Growth, Opportunity Recognition, Business Development Setting: Canada, Small organization, 2003 Difficulty: 4 - Undergraduate/MBA Length: 9 pages</p> <hr/> <p>Case #: 9B00TF04 Entrepreneurs: What is the stuff of an entrepreneur? <i>James E. Hatch, Jeffrey Zweig</i></p> <p>Entrepreneurs are widely perceived as having been superb students, athletes and simply outstanding in almost every aspect. But, say the authors of this article, that is not the case. Many successful entrepreneurs, from those who today head billion-dollar dot-coms to others who are sole operators were indifferent students and athletes. In fact, they were distinctly unremarkable. What did, and does, set them apart is the entrepreneurial spirit, which they have in abundance, and which any entrepreneur must have to win.</p> <p>Length: 7 pages</p>
<p>Chapter 5: Creativity and Innovation</p>	<p>Case #: 9B05M072 STAMPYOR <i>Wim Vanhaverbeke, Rein Nieland, Inge Leuversink, Femke van Hoven, Marijke van Wely</i></p> <p>The New Business Development unit is part of DSM, a Dutch globally operated chemical company. The unit looks for promising new ideas to develop into start-up businesses. Stampyor is a new project that the New Business Development unit is working on and the team leader of the project must decide if it should be developed into a startup company. Students will apply their knowledge about new product development, new product evaluation, the stage-gate process, customer value, business models and corporate venturing.</p> <p>Teaching Note: 8B05M72, (22 pages) Industry: Chemicals and Allied Products Issues: New Products, Innovation, Business Valuation Setting: Netherlands, Medium organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 27 pages</p> <hr/> <p>Case #: 9B01E008 WAVERIDER COMMUNICATIONS INC.: THE WIRELESS LAST MILE</p>

	<p><i>Scott L. Schneberger, Ken Mark</i></p> <p>WaveRider Communications, Inc. was a Toronto-based company with a mission to become the leader in global wireless technology by developing, selling and supporting products that enabled wireless Internet service providers. It recently launched market its "Last Mile Solution," offering Internet service providers the opportunity to provide wireless Internet access at broadband speeds in the unlicensed 2.4 gigahertz spectrum. The wireless Internet access industry was relatively untapped and WaveRider's vice-president of marketing wondered whether the company, as it started its growth phase, should seek an alliance with a competing technology company. To determine the feasibility of this idea, he needed to classify the competition, review the customer barriers and evaluate which technology was the best fit.</p> <p>Teaching Note: 8B01E08, (12 pages) Industry: Business Services Issues: Information Systems, Technological Change, Innovation, Action Planning and Implementation Setting: United States, Canada, Medium organization, 2000 Difficulty: 4 - Undergraduate/MBA Length: 14 pages</p> <hr/> <p>Case #: 9A99M048 SURGERY FUTURES RESEARCH <i>Rod E. White, Charlene L. Nicholls-Nixon, Hart Posen</i></p> <p>The founder of Surgery Futures Research, a London, Ontario-based startup, developed a new technique to assist with minimally invasive surgery. His innovation eliminated the need for incisions and retractors to manipulate the bowel, and relied instead upon magnets and an ingestible fluid. He put his surgical residency on hold and spent several years developing the technology as a sideline to his medical career. He invested his time, personal savings and much of his income into this enterprise. Even under the most optimistic scenario, commercialization was still years away and would require significant expenditures for research, development, manufacturing and marketing. At age 35, and with his wedding approaching, he felt the time had come to reevaluate the venture, considering what actions needed to be taken to commercialize the technology and what role he should play in the process.</p> <p>Teaching Note: 8A99M48, (7 pages) Industry: Health Services Issues: Innovation, Management of Technology, Generating Profit from New Technology Setting: Canada, Small organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 18 pages</p>
<p>Chapter 6: Entrepreneurial Ethics</p>	<p>Case #: 9B01C007 ORANGEWERKS: A QUESTION OF ETHICS <i>Christina A. Cavanagh, Ken Mark</i></p> <p>OrangeWerks, an entrepreneurial company that creates software applications, is preparing to present to venture capital firms for its first major round of funding. However, during routine network maintenance, the network administrator becomes aware that the company may not have purchased the original software used to create the company's product, and that government workplace safety insurance was not in place. He must decide how to proceed with the knowledge by assessing available options and judging the stakeholder impact, as well as his career implications.</p> <p>Teaching Note: 8B01C07, (5 pages) Industry: Business Services Issues: Ethical Issues, Organizational Behaviour, E-Commerce, Action Planning and Implementation Setting: Canada, Small organization, 2000</p>

	<p>Difficulty: 4 - Undergraduate/MBA Length: 5 pages</p> <hr/> <p>Case #: 9A98M022 PHIL CHAN (A) <i>Paul W. Beamish, Jean-Louis Schaan</i></p> <p>Date Revised: 2/10/2000 The case deals with a scam that has been run out of Nigeria since 1990. In it, foreign companies are approached for their assistance in facilitating an international transfer of funds in order to receive a very large but unearned commission. In the case, a Hong Kong-based manager who is travelling to Nigeria is unaware that he is walking into a situation where his company is about to be cheated. The objective of the case is to raise the issue of ethics in the conduct of international business. A follow-up case (9A98M023) is available.</p> <p>Teaching Note: 8A98M22, (10 pages) Industry: Business Services Issues: Ethical Issues, Human Behaviour, Negotiation, Personal Values Setting: Hong Kong/Nigeria, Small organization, 1998 Difficulty: 4 - Undergraduate/MBA Length: 9 pages</p> <hr/> <p>Case #: 9B01M059 TIME WARNER INC. AND THE ORC PATENTS <i>Paul W. Beamish, John Adamson</i></p> <p>Optical Recording Corporation (ORC) secured the rights to a technology known as digital optical audio recording. During the time it took to negotiate the final transfer of the technology ownership, it was rumored that some major electronics manufacturers were developing compact disc (CD) players that recorded digital optical audio signals. A patent lawyer advised ORC that the compact disc players and compact discs recently released by these companies might be infringing the claims of ORC's newly acquired patents. Based on this information, the company proceeded to successfully negotiate licensing agreements with the two largest CD manufacturers, Sony of Japan, and Philips of the Netherlands The third largest manufacturer, WEA Manufacturing, a subsidiary of Time Warner Inc., maintained a position of non-infringement and invalid patents. With the U.S. patent expiry date looming, ORC decided to sue Time Warner for patent infringement. When the defense counsel presented testimony that questioned the integrity of the licensing agreement, ORC's president realized that the entire licensing program was in jeopardy and must decide whether he should accept a settlement or proceed with the lawsuit.</p> <p>Teaching Note: 8B01M59, (11 pages) Industry: Electric & Electronic Equipment Supplies Issues: Business Law, Patents, Licensing, Intellectual Capital Setting: United States/Canada, Large organization, 1992 Difficulty: 4 - Undergraduate/MBA Length: 20 pages</p>
<p>Chapter 7: Assessment of Entrepreneurial Opportunities</p>	<p>Case #: 9A92G002 RUSSKI ADVENTURES <i>Paul W. Beamish, Ian Sullivan</i></p> <p>Date Revised: 12/20/2002 The two major partners in Russki Adventures contemplated their next move. They had spent the last year and a half exploring the possibility of starting a helicopter skiing operation in Russia. Their plan was to bring clients from Europe, North America and Japan to the Caucasus Mountains to ski the vast areas of secluded mountain terrain made accessible by the use of helicopter and the recent business opportunities offered by 'glasnost'. Three options for proceeding were being considered. The first was to proceed with the venture on their own, in the</p>

Caucasus Mountains area that had been made available to them by a Soviet government agency. The second was to accept the offer of partnership with Extreme Dreams, a French tour operator that had recently begun operations in the Caucasus region. The final option was to wait, save their money and not proceed with the venture at this time. This is a good case to emphasize small-scale international ventures and the complexities of operating in a rapidly changing and politically unstable environment.

Teaching Note: 8A92G02, (8 pages)

Industry: Hotels, Rooming Houses, Camps

Issues: Joint Ventures, Risk Analysis, Political Environment

Setting: Russia/Canada, Small organization, 1991

Difficulty: 4 - Undergraduate/MBA

Length: 22 pages

Case #: 9B01M012

THREE FISH SOLUTIONS (A) - FISHING FOR FUNDS

Allen Morrison, Tom Gleave, John Beck

Date Revised: 4/30/2002

The founding partners of Three Fish Solutions, a Hong Kong-based Internet start-up company, developed what they thought was a powerful business plan in preparation for a meeting with a deep-pocketed, potential equity partner. The meeting was critical because the partners were short of cash and because it would provide them with their first opportunity to discuss their business plan with a highly respected investor. Students have the opportunity to analyze a business plan of an e-commerce-based start-up company; identify critical success factors that are generic to start-up companies and areas of risk that need to be mitigated; and better understand the motivations of venture capital firms and the considerations they make when evaluating business plans. The Three Fish Solutions (B) case, product 9B01M013, discusses the meeting with the investor and the options facing the company.

Teaching Note: 8B01M12, (13 pages)

Industry: Business Services

Issues: Partnership, Startups, Internet, Information Technology

Setting: Hong Kong, Small organization, 2000

Difficulty: 5 - MBA/Postgraduate

Length: 22 pages

Case #: 9B01M013

THREE FISH SOLUTIONS (B) - FISHING FOR FUNDS

Allen Morrison, Tom Gleave, John Beck

Date Revised: 4/30/2002

The partners of Three Fish Solutions, a Hong Kong-based Internet start-up company, had a meeting with a potential equity investor in their company. The partners learned that, despite a solid business plan, the investor was concerned that it was too early to make an equity investment. Short of cash, the partners were left to wonder whether they should terminate the start-up, drop the investor and search for a friendlier one, or try to accommodate some of the investor's concerns. This case is a supplement to Three Fish Solutions (A) - Fishing for Funds, product 9B01M012, in which the partners prepared for this meeting by evaluating their business plan and identifying the critical success factors that are generic to Internet start-up companies.

Teaching Note: 8B01M13, (5 pages)

Industry: Business Services

Issues: Partnership, Startups, Internet, Information Technology

Setting: Hong Kong, Small organization, 2000

Difficulty: 5 - MBA/Postgraduate

Length: 6 pages

Chapter 8:
Environmental
Assessment of
Entrepreneurial Ventures

Case #: 9B05M045

SEGWAY HUMAN TRANSPORTER: MORE THAN A COOL INVENTION?

Charlene L. Nicholls-Nixon, Daniel Day

The inventor and founder of DEKA research was deciding whether to commercialize his latest invention, the Segway Human Transporter, a self-balancing, battery-operated scooter. The transporter was envisioned as an alternative mode of personal transportation in traffic-clogged urban environments. It also had potential application in developing countries with limited transportation infrastructure. With the versatility to carry riders on sidewalks, rough ground, icy surfaces and inside buildings, the market potential seemed unlimited. Yet, the Segway Human Transporter represented an unconventional transportation choice for potential users. Would there be a market for it, or would it be seen as nothing more than a cool invention? Should the inventor proceed with commercialization, and if so, how?

Industry: Transportation Equipment

Issues: New Products, Technology

Setting: United States, Small organization, 2000

Difficulty: 4 - Undergraduate/MBA

Length: 12 pages

Case #: 9B03M001

NOTE ON THE CUBAN CIGAR INDUSTRY

Paul W. Beamish, Akash Kapoor

The cigar industry in Cuba has a mythical aura and renown that give it unparalleled recognition worldwide. The relationship between Cuba and the United States makes the situation in this industry particularly intriguing. Cuban cigars cannot currently be sold in the United States, even though it is the largest premium cigar market in the world. This note provides an opportunity for a structured analysis using Porter's five forces model and to consider several scenarios including the possible lifting of the U.S. embargo and the relaxation of Cuba's land ownership laws.

Teaching Note: 8B03M01, (19 pages)

Industry: Tobacco

Issues: Government and Business, Industry Analysis, International Business, Internationalization

Setting: Cuba/USA/Canada, Large organization, 2002

Difficulty: 4 - Undergraduate/MBA

Length: 23 pages

Case #: 9B01M002

NAPSTER AND MP3: REDEFINING THE MUSIC INDUSTRY

Mary M. Crossan, Margaret A. Wilkinson, Mark Perry, Trevor Hunter, Tammy Smith

Date Revised: 6/28/2001

The music industry has changed dramatically as a result of technological and business innovations that have transformed how music is acquired, and how value is created and distributed. Napster Inc. operated one of several Web sites that allowed Internet users free access to MP3 music files -- which eventually led to lawsuits around issues of the protection of intellectual capital. These issues lead to the examination of the forces at play in the transformation of the music industry, the strategic alternatives for players in the industry and the legal context underpinning the strategic alternatives, with a particular focus on the protection of intellectual capital.

Teaching Note: 8B01M02, (21 pages)

Industry: Amusement and Recreation Services

Issues: Industry Analysis, Intellectual Properties, Strategic Change, E-Commerce

Setting: Global, 2000

Difficulty: 4 - Undergraduate/MBA

Length: 22 pages

Chapter 9:
Marketing Research for
Entrepreneurial Ventures

Case #: 9B04M065

KIDS MARKET CONSULTING

Paul W. Beamish, Stephanie Taylor, Oleksiy Vynogradov

Date Revised: 4/8/2005

The founder of Kids Market Consulting, a market research firm dedicated to kids, tweens and teens segment, is faced with increasing competition and slowing revenue, and was exploring a variety of possibilities for the future strategic direction of the business. In particular, she must formulate the best plan for protecting the niche market and decide how aggressively to pursue expansion. In addition, there was the existing relationship with her business partner and Kids Market Consulting was part of his group of marketing firms. Any changes the founder chose had to respect this relationship and she was therefore restricted to a limited number of options. The over-arching corporate objective for the company was to defend the market from larger businesses who were trying to increase their share of the market research industry.

Teaching Note: 8B04M65, (10 pages)

Industry: Business Services

Issues: Market Analysis, Strategic Planning, Strategic Change, Strategy Development

Setting: Ukraine, Small organization, 2004

Difficulty: 4 - Undergraduate/MBA

Length: 9 pages

Case #: 9B06A014

SPLASH CORPORATION (A): COMPETING WITH THE BIG BRANDS

Niraj Dawar, Nigel Goodwin

Date Revised: 7/17/2006

Set in November 2005, the case examines a company that has been extremely successful in several product categories in its own domestic market and is defending its market position against intense competition from powerful multinational corporations, emerging domestic rivals and newer low-cost alternatives. The multinational corporations include some of the world's most sophisticated marketing companies. The case may be used independently or with the supplement Splash Corporation (B): International Markets, product 9B06A015.

Teaching Note: 8B06A14, (7 pages)

Industry: Miscellaneous Retail

Issues: Consumer Marketing, Branding, Competing with Multinationals

Setting: Philippines, Medium organization, 2005

Difficulty: 4 - Undergraduate/MBA

Length: 25 pages

Case #: 9B05M003

PRO ORGANICS (A)

Stewart Thornhill, Julie Harvey

Date Revised: 1/13/2006

Pro Organics is a major distributor of organic fresh food. The owner is faced with the decision of broadening the company's market and opening a second location. The owner must develop an expansion strategy to test and ensure the viability of success in the new market. The supplement Pro Organics (B), product 9B05M004 discusses how the owner must reevaluate the company's future direction in response to the possibility of a shrinking market and an increasing trend of industry consolidation. An 8-minute video supplement is also available, product 7B05M003.

Teaching Note: 8B05M03, (8 pages)

Industry: Agricultural Services

Issues: Acquisitions, Expansion, Market Strategy

Setting: Canada, Medium organization, 1997

Difficulty: 4 - Undergraduate/MBA

	<p>Length: 7 pages</p>
<p>Chapter 10: Financial Preparation for Entrepreneurial Ventures</p>	<p>Case #: 9B06N007 Private Equity at Work: Purchasing Cake Masters <i>Craig Dunbar, Ken Mark, Michael Comisarow</i></p> <p>An entrepreneur must decide if he should bid to acquire a commercial bakery, Cake Masters, given his objectives in his search and his investors' expected returns of 20-30 per cent. If he bids, he must decide how much to bid and in what form of consideration. Students are introduced to valuation methodologies and will evaluate an acquisition or opportunity, understand the process of acquiring a small company, learn how preceding transactions are considered and learn about discounted cash flow analysis.</p> <p>Teaching Note: 8B06N07, (8 pages) Industry: Food and Kindred Products Issues: Financial Analysis, Valuation, Entrepreneurial Finance Setting: Canada, Small organization, 2005 Difficulty: 4 - Undergraduate/MBA Length: 16 pages</p> <hr/> <p>Case #: 9B02N016 VIVOSONIC INC. <i>Basil A. Kalymon, Robert Jaques</i></p> <p>Vivosonic is a start-up biomedical company that needs to raise \$565,000 to continue research and development of its biomedical devices. The executive director of a venture capital firm feels Vivosonic's technology is sound but the costs for the company would be high. He must decide whether or not to invest in the company and determine what the best terms and conditions are for the deal.</p> <p>Teaching Note: 8B02N16, (10 pages) Industry: Electric & Electronic Equipment Supplies Issues: Financial Analysis, Financing, Entrepreneurial Finance, Technology Transfer Setting: Canada, Small organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 17 pages</p> <hr/> <p>Case #: 9B00N011 EHARVEST.COM <i>James E. Hatch, Tania Cunningham</i></p> <p>The chief executive officer of the venture capitalist Portal Investments had to decide whether to invest in eHarvest.com, a company with a vision to become the worldwide Internet portal for production agriculture. To do so, he needed to examine Portal Investment's strategic objectives; eHarvest.com's business model and the challenges and opportunities it faced in carrying it out; and issues related to valuation and deal structuring.</p> <p>Teaching Note: 8B00N11, (3 pages) Industry: Agricultural Services Issues: Valuation, Venture Capital, Entrepreneurial Finance, E-Commerce Setting: Canada, Medium organization, 2000 Difficulty: 4 - Undergraduate/MBA Length: 12 pages</p>
<p>Chapter 11: Developing an Effective Business Plan</p>	<p>Case #: 9B06N012 SOFTWARE INNOVATIONS INC. <i>James E. Hatch</i></p> <p>A partner in a venture capital firm is contemplating an investment in a software</p>

	<p>firm. He must perform a size up of the company and prepare a term sheet.</p> <p>Teaching Note: 8B06N12, (7 pages) Industry: Business Services Issues: Venture Capital Setting: Canada, Medium organization, 2005 Difficulty: 4 - Undergraduate/MBA Length: 13 pages</p> <hr/> <p>Case #: 9B01M042 SALESPHERE.COM: BUILDING AN INTERNET START-UP COMPANY IN HONG KONG <i>Charlene L. Nicholls-Nixon, Donna Everatt</i></p> <p>A young entrepreneur wants to launch an auction-based Web site where companies with excess inventories would be able to off-load their merchandise to consumers, while consumers would have selection and affordability with one-stop shopping for a variety of goods. Before presenting his business plan to investors he must undertake a thorough analysis by evaluating the attractiveness of the market, examining the viability of the business model, determining the magnitude and nature of resources required, evaluating the quality of the management team, and determining the type of financing deal required.</p> <p>Teaching Note: 8B01M42, (12 pages) Industry: Miscellaneous Services Issues: Startups, Internet, E-Business Setting: Hong Kong, Small organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 20 pages</p> <hr/> <p>Case #: 9B01A004 EXTREME PACKET DEVICES (A) <i>Adrian B. Ryans</i></p> <p>Date Revised: 7/12/2001 Extreme Packet Devices was founded to develop very sophisticated application-specific, integrated circuits for the telecommunications industry. After six months of operation, its chief executive officer was reviewing the company's newly completed business plan. He wanted the plan to be ambitious and have a clear vision so it captured the imagination of employees, customers and financial supporters, and at the same time, provided a disciplined roadmap for the organization and benchmarks for the venture capitalists funding the company. While he examined the plan, he had to evaluate the company's progress and then wondered if the plan successfully addressed questions that venture capitalists and institutional investors would ask. There is a supplemental case available, Extreme Packet Devices (B), product 9B01A005, that addresses issues around the purchase of Extreme Packet Devices by PMC-Sierra.</p> <p>Industry: Electric & Electronic Equipment Supplies Issues: Marketing Planning, Strategic Planning, Market Entry Setting: Canada, Small organization, 1999 Difficulty: 5 - MBA/Postgraduate Length: 26 pages</p>
<p>Chapter 12: Legal Structures for New Business Ventures</p>	<p>Case #: 9B05M071 CARTRIDGE WORLD: THE MASTER FRANCHISE OPPORTUNITY <i>Stewart Thornhill, Ken Mark, Jordan Mitchell</i></p> <p>Date Revised: 5/17/2006 An entrepreneur has received additional information on the Cartridge World franchising concept - a store focused on the refilling of printer cartridges. The idea for Cartridge World began in Australia in 1988 and has grown to almost 200 locations in Australia, New Zealand and the United Kingdom. The entrepreneur must look at the market opportunity in Canada and decide whether he should apply</p>

	<p>for the country's master franchisee, a single franchise, or abandon the concept altogether. Students will evaluate a franchise concept based on market opportunity and the franchise contract.</p> <p>Industry: Miscellaneous Retail Issues: Franchising, Investment Analysis, Market Analysis, Models Setting: Canada/Australia, Small organization, 2002 Difficulty: 4 - Undergraduate/MBA Length: 13 pages</p> <hr/> <p>Case #: 9B00M030 PATHWAY COMMUNICATIONS INC. <i>David C. Shaw, Niels Billou</i></p> <p>Date Revised: 11/15/2001 The president of Pathway Communications Inc. (Pathway), a regional Internet service provider (ISP), had to decide the best course of action to transform Pathway into a national information technology firm that offered end-to-end technology support for a variety of consumer and business needs. At the same time, a regional telecommunications firm wanted to buy Pathway. He wondered if he should pursue this offer or one of the following options: franchise his concept and replicate the Pathway business model; execute a national roll-up by buying several smaller ISPs and then completing an initial public offering; or, combine his business with a larger ISP or other telecommunications firm. This comprehensive strategy case provides students with the opportunity to explore the issues of growth in a young, high-technology firm and to discuss the significant financial implications of the different alternatives.</p> <p>Teaching Note: 8B00M30, (7 pages) Industry: Communications Industry Issues: Franchising, Growth Strategy, Entrepreneurial Finance Setting: Canada, Medium organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 24 pages</p> <hr/> <p>Case #: 9A94B008 FAST EDDIE'S <i>James E. Hatch, Maria Gudelis, Dirk Schrader</i></p> <p>Date Revised: 12/7/2000 Over seven years, the owner of a highly successful drive-through, take-out hamburger chain has built his business and knew that there was a tremendous potential for the idea. He was unsure whether to expand by opening additional company-operated stores (using retained earnings), or by establishing a franchise system. Two Excel spreadsheets are available; one for the student, product 7A94B008 and one for the instructor, product 5A94B08.</p> <p>Teaching Note: 8A94B08, (8 pages) Industry: Eating and Drinking Places Issues: Franchising, Entrepreneurial Finance Setting: Canada, Medium organization, 1994 Difficulty: 4 - Undergraduate/MBA Length: 26 pages</p>
<p>Chapter 13: Legal Issues Related to Emerging Ventures</p>	<p>Case #: 9B05N016 LICENSING OF APOEP1.B PEPTIDE TECHNOLOGY <i>James E. Hatch, Susanne Acklin</i></p> <p>Date Revised: 3/10/2006 Representatives of the technology transfer office are preparing a commercialization strategy of a new peptide. The function of the technology transfer office at the University of Western Ontario is to prospect for suitable technologies for commercialization, to manage the patent protection for such inventions, and to</p>

identify ways to develop such inventions. Two licensing opportunities are being considered, both of which entail creation of a startup company. The representatives must evaluate options to determine which offers the best potential for the commercialization of the invention for everyone involved.

Teaching Note: 8B05N16, (14 pages)

Industry: Chemicals and Allied Products

Issues: Patents, Technology, Licensing, Entrepreneurial Finance

Setting: Canada, Small organization, 2005

Difficulty: 4 - Undergraduate/MBA

Length: 15 pages

Case #: 9B05M047

FUTURE OF "BIG PHARMA?"

David W. Conklin, Murray J. Bryant, Danielle Cadieux

Several new developments were threatening the success of Big Pharma. The patents on well-known blockbusters were reaching expiry, and generic manufacturers were eagerly waiting to produce lower-priced copies. Throughout the world, governments were taking a more active role in determining the prices at which drugs could be sold. The expansion of government insurance programs was adding to the complexity of the marketing challenges. Another change involved a shift towards direct-to-customer advertising, including the proliferation of information on the Internet, in addition to the traditional process of sales visits to family doctors. Research funding had doubled since 1991, but the number of new drugs emerging each year had fallen by half. The research and development process was also changing dramatically. Whereas blockbuster drugs had been developed as general treatments for common conditions, it was becoming increasingly apparent that not all patients reacted in the same ways to these drugs, and some - although a very small percentage - suffered serious side effects. This reality was expected to lead to the creation of a much larger number of niche drugs, each one targeted at a narrower group of patients. Related to this development was the growth of biopharma in which new biotech companies were creating drugs that could attack specific cells. Some analysts felt that Big Pharma was in a peculiar predicament in that profits were still very large, and this served as a barrier to necessary changes in strategy.

Teaching Note: 8B05M47, (9 pages)

Industry: Health Services

Issues: Business and Society, International Business, Globalization

Setting: Large organization, 2005

Difficulty: 4 - Undergraduate/MBA

Length: 21 pages

Case #: 9A99M028

TROJAN TECHNOLOGIES INC: THE CHINA OPPORTUNITY

Pratima Bansal, Paul W. Beamish, Ruihua Jiang

Date Revised: 3/14/2000

The senior market associate of Trojan Technologies reflected on the water shortages anticipated in developing countries created by their explosive economic growth. Trojan sold water disinfecting equipment, and the senior market associate's job was to find new areas for growth. China was particularly intriguing because it had as much water as Canada, but 40 times the population, and its economic boom would further stress current water resources. Trojan had set growth hurdles of 30 per cent per year, and it needed new markets to reach that objective. The task in new market development was to determine if Trojan should enter China, and if so, when, where and how. The associate knew little of China: how decisions were made for water disinfecting equipment, whether Trojan's patents would be protected, and what level of resources would be required. The vice-president of new business development wanted to see recommendations within the month.

Teaching Note: 8A99M28, (10 pages)

	<p>Industry: Electric, Gas and Sanitary Services Issues: Environment, International Business, Strategic Planning Setting: China, Medium organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 16 pages</p>
<p>Chapter 14: Sources of Capital for Entrepreneurs</p>	<p>Case #: 9B00N010 ZERO-KNOWLEDGE SYSTEMS, INC. <i>James E. Hatch, Amanda Clark</i></p> <p>An entrepreneurial company, Zero-Knowledge Systems, provided privacy solutions for Internet-based applications. Their product permitted users to create multiple digital pseudonyms. The entrepreneur and his two sons were looking to U.S. venture capitalists to fund the company's growth and to acquire some expertise. They must put together a list of criteria to use to choose among potential funders and must assign a value to their company, so they will have an idea what percentage of the company they are willing to give up.</p> <p>Teaching Note: 8B00N10, (7 pages) Industry: Personal Services Issues: Valuation, Venture Capital, Entrepreneurial Finance, E-Commerce Setting: Canada, Medium organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 17 pages</p> <hr/> <p>Case #: 9B01N003 ZERO-KNOWLEDGE 2000 <i>James E. Hatch, Bryce Storie</i></p> <p>Zero-Knowledge designs software that protects the privacy of Internet users. The company needed US\$10 million to expand its business. It had already raised half the amount from U.S. venture capitalists, and was trying to determine the best way to raise the remaining amount. The executive vice president of a securities firm must put together a private placement offering for Zero-Knowledge that meets the needs of both Zero-Knowledge and the proposed institutional investors.</p> <p>Teaching Note: 8B01N03, (12 pages) Industry: Personal Services Issues: Financial Strategy, Private Placement Setting: Canada, Medium organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 15 pages</p> <hr/> <p>Case #: 9A95B027 COW'S LONDON <i>Stephen R. Foerster, Rob Barbara</i></p> <p>Date Revised: 4/16/2002 James and Serena Udderlie were preparing a loan application to the Confederation Bank of Canada. They were requesting a \$160,000 term loan, in addition to an operating loan, for the potential opening of a Cow's ice cream and clothing franchise. They needed to develop proforma income statements and balance sheets for the store's first two years of operation. They also wondered what collateral, if any, they would be able to provide the bank to secure against a loan, and what other terms the bank might deem necessary.</p> <p>Teaching Note: 8A95B27, (7 pages) Industry: Eating and Drinking Places Issues: Financing, Loan Evaluation, Bank Lending Setting: Canada, Small organization, 1994 Difficulty: 4 - Undergraduate/MBA Length: 9 pages</p>

Chapter 15:
Strategic Planning for
Emerging Ventures

Case #: 9B04A006
WILLIAMS COFFEE PUB
Kenneth G. Hardy

Two brothers have developed Williams Coffee Pub into a 44-unit, quick service restaurant franchise in Southwestern Ontario. Williams Coffee Pub has a very broad positioning with different segments frequenting it in different parts of the day. The brothers have hired a new chief executive officer and they are about to hand significant operational and strategic control to this new executive and the new board of directors. The broad positioning is an issue and the future communications campaign is also an issue.

Teaching Note: 8B04A06, (5 pages)
Industry: Eating and Drinking Places
Issues: Franchising, Market Strategy, Strategic Planning, Marketing Communication
Setting: Canada, Medium organization, 2004
Difficulty: 4 - Undergraduate/MBA
Length: 21 pages

Case #: 9B05M011
GANONG BROS. LIMITED
Eric Morse, Vanessa M. Strike

Date Revised: 6/14/2005
Ganong Bros. Limited is a fifth generation family chocolate company that is facing financial difficulties. The firm has been spreading its resources too thinly and needs to develop a plan to not only return to profitability but also to grow the business while upholding its responsibility to the local community. This case helps students to develop an understanding of cutting costs in a turnaround situation and seeking out alternative lines of business for strategic growth.

Industry: Food and Kindred Products
Issues: Growth Strategy, Strategic Planning, Strategic Change
Setting: Canada, Medium organization, 1995
Difficulty: 4 - Undergraduate/MBA
Length: 16 pages

Case #: 9B06M051
CREATING AUCTIONWIRE
Nicole R.D. Haggerty, Ken Mark

The co-founders of Auctionwire, a start-up online business that will sell goods on consignment, are trying to select the best software solution for their fledging business. The co-founders want to know how they can make the best decision possible in vendor selection. What criteria should be used? Which questions should they ask? As software is the key component of their online operation, the choice of a vendor can spell success or failure for Auctionwire. A video interview with co-founders is available, product 7B06M051.

Teaching Note: 8B06M51, (8 pages)
Industry: Business Services
Issues: Information Systems, Strategic Planning, Vendor Selection
Setting: Canada, Small organization, 2005
Difficulty: 4 - Undergraduate/MBA
Length: 20 pages

Chapter 16:
Managing Entrepreneurial
Growth

Case #: 9A99M043
ECO-SHRED LTD. - 1999
Kenneth G. Hardy, Paul Heydon

Date Revised: 1/6/2000
A Canadian entrepreneur has grown a start-up paper-shredding business to almost

	<p>\$5 million over a nine-year period and he now faces some real internal tension over the future pace and direction of growth. Although he would like rapid expansion, he refuses to sell shares or take on debt. Issues from labor to acquisitions are presented, as well as the difficulties in determining operating strategy while keeping up with day-to-day management.</p> <p>Teaching Note: 8A99M43, (8 pages) Industry: Business Services Issues: Corporate Strategy, Internationalization, Strategic Planning Setting: Canada, Small organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 25 pages</p> <hr/> <p>Case #: 9A91G005 PRINCE EDWARD ISLAND PRESERVE CO. <i>Paul W. Beamish</i></p> <p>Date Revised: 5/26/2003 Prince Edward Island Preserve Co. is a producer and marketer of specialty food products. The company president is contemplating future expansion. Two cities were of particular interest: Toronto and Tokyo. At issue was whether consumers in both markets should be pursued, and if so, how. The choices available for achieving further growth included mail order, distributors, and company controlled stores. The case helps students watch existing resources and capabilities with potential growth opportunities.</p> <p>Teaching Note: 8A91G05, (9 pages) Industry: Food and Kindred Products Issues: Internationalization, Market Analysis, Tourism Setting: Canada/Japan, Small organization, 1991 Difficulty: 4 - Undergraduate/MBA Length: 21 pages</p> <hr/> <p>Case #: 9A99M014 ASIASPORTS: HOCKEY NIGHT IN HONG KONG <i>Andrew Delios</i></p> <p>Date Revised: 2/3/2000 Tom Barnes, executive director of Asiasports Ltd., was evaluating several options for growth for the sports management company. Asiasports principal sports properties were the South China Ice Hockey League and the World Ice Hockey 5's tournament, both based in Hong Kong. Among the alternatives available: Barnes could develop hockey in other countries in Southeast Asia; he could acquire new sports properties; or he could expand into in-line hockey promotion in Hong Kong.</p> <p>Teaching Note: 8A99M14, (8 pages) Industry: Amusement and Recreation Services Issues: International Business, Sports, Strategic Planning Setting: Hong Kong, Small organization, 1999 Difficulty: 4 - Undergraduate/MBA Length: 19 pages</p>
<p>Chapter 17: Valuation of Entrepreneurial Ventures</p>	<p>Case #: 9B06N006 CASH TECHNOLOGY LIMITED: A CHINESE IPO IN SINGAPORE <i>Larry Wynant, Nigel Goodwin</i></p> <p>Cash Technology Limited is a Xiamen-based manufacturer of self-service banking machines, touchscreens and related software. The company was set to issue its initial public offering on the Singapore Exchange. The proceeds from the IPO would help the mid-sized, entrepreneurial and private company secure its position in the burgeoning Chinese market for automated teller machines and related equipment. With six weeks left before the IPO, the chief executive officer and chief financial officer attempted to value their company by various methods and assess the</p>

	<p>reasonableness of the offering price proposed by the IPO manager. The case challenges students to examine the attractiveness and value of a business from the perspective of the issuer and potential investors, and can also provide the opportunity for students to develop a strategy for communicating with institutional investors.</p> <p>Teaching Note: 8B06N06, (21 pages) Industry: Electric & Electronic Equipment Supplies Issues: Financial Analysis, Valuation, Cost of Capital, Initial Public Offerings Setting: China/Singapore, Medium organization, 2004 Difficulty: 4 - Undergraduate/MBA Length: 21 pages</p> <hr/> <p>Case #: 9B01N007 MEDIAGRIF INTERACTIVE TECHNOLOGIES: THE IPO DECISION <i>James E. Hatch, Louis Gagnon</i></p> <p>Mediagrif Interactive Technologies operates vertical business-to-business e-commerce marketplaces. The chief executive officer must decide whether to go forward with a previously delayed initial public offering. He must consider the effect of changing market conditions and how to value the company in order to determine the price range that would be used.</p> <p>Teaching Note: 8B01N07, (8 pages) Industry: Business Services Issues: Valuation, Initial Public Offerings Setting: Canada, Medium organization, 2000 Difficulty: 4 - Undergraduate/MBA Length: 23 pages</p> <hr/> <p>Case #: 9B00N012 REGARE CORPORATION <i>James E. Hatch, Victoria Young</i></p> <p>Date Revised: 10/12/2000</p> <p>Regare Corporation is a telecommunications company offering a comprehensive array of telecom products including local access, long distance, calling card and toll free services, internet access, and paging to residential and small- to medium-sized corporate customers. A core strength of the company was its advanced convergent billing system, that enabled Regare to provide a customized bundle of services on a single customer bill. The company has been in business for less than two years and is on an aggressive growth track via organic growth and strategic acquisitions. Currently, Regare is in negotiations to effect a reverse takeover of a publicly traded company on the Vancouver Stock Exchange as well as the acquisition of a large private long distance reseller. The CEO must decide on what terms the deals will be made as well as how to finance the acquisitions. Students will learn how to value both a private and public company, the nature and structure of a reverse takeover and, about consolidation as a growth strategy.</p> <p>Teaching Note: 8B00N12, (5 pages) Industry: Holdings and other Investment Companies Issues: Acquisitions, Valuation, Entrepreneurial Finance, Take-over Bids Setting: Canada, Medium organization, 2000 Difficulty: 4 - Undergraduate/MBA Length: 17 pages</p>
<p>Chapter 18: Harvesting the Entrepreneurial Venture</p>	<p>Case #: 9B04M068 CQUAY TECHNOLOGIES CORP. <i>Paul W. Beamish, Kevin K. Boeh</i></p> <p>CQUAY Technologies Corp was a privately-held Canadian software company with offices in Toronto, Calgary and Washington, D.C. CQUAY marketed a patented location intelligence engine called Common Ground. The company's technology was</p>

designed for an emerging, multi-billion dollar segment of the spatial information management market. A year earlier, the board had asked the chief executive officer to shape the company into an acquisition target over the next 18 to 24 months. A year later there were no imminent acquisition discussions, and recent customer traction and the sales pipeline seemed to merit raising growth capital instead of following the acquisition-focused plan. The CEO wanted to keep his stockholders and board happy by executing the plan they had given him, but did not want to jeopardize possible customer growth. If he refocused the plan, he feared it might change acquisition opportunities. Without further contracts, the existing cash would sustain the company for only another six to eight months. The CEO thought the most likely outcome was to sell the company, but he needed to make the company more attractive. He planned to present options and a recommendation to the board of directors later that month.

Teaching Note: 8B04M68, (8 pages)

Industry: Business Services

Issues: Corporate Strategy, Mergers & Acquisitions, Venture Capital, Corporate Governance

Setting: Canada, Small organization, 2004

Difficulty: 4 - Undergraduate/MBA

Length: 15 pages

Case #: 9A94B009

SECURITY DATA SYSTEMS - EXIT STRATEGY

James E. Hatch, Ron Goldstein

Date Revised: 7/24/2002

The owner of a medium-sized business is contemplating the sale of all or part of the business, driven by estate planning and diversification considerations. He must choose among a number of alternatives including outright sale, partial sale, or an initial public offering.

Industry: Communications Industry

Issues: Personal Financial Planning, Valuation, Initial Public Offerings

Setting: Canada, Medium organization, 993

Difficulty: 4 - Undergraduate/MBA

Length: 14 pages

Case #: 9B02N012

FLONETWORK INC.

James E. Hatch, Ryan Kovac

Flonetwork Inc. is an Internet direct marketing and communications service and a leader in the permission-based e-mail marketing space. A director and venture capital representative reflects on the company's initial public offering that was aborted and the recent tender offer for its shares by DoubleClick. He must assess the risks and opportunities in the company, the company's value and the advantages and disadvantages of going public, staying private or a strategic sale in order to make a recommendation at an upcoming board meeting.

Teaching Note: 8B02N12, (13 pages)

Industry: Business Services

Issues: Valuation, Venture Capital, Exit Strategy

Setting: Canada, Small organization, 2001

Difficulty: 4 - Undergraduate/MBA

Length: 24 pages

Case #: 9B02N005

INNOMEDIA LOGIC INC.

James E. Hatch, Warren Roll

Innomedia Logic Inc. produces and distributes voice over Internet protocol hardware. An increasing demand for this technology and the entry of other

companies into the sector have created a highly competitive market. Despite these challenges, Innomedia Logic has grown to a successful operation in just a few years and has projected substantial revenue increases for the next two years. The president, and major shareholder, has received an unsolicited offer for 100 per cent of the company's equity. He must consider how an exit strategy will affect the other seven shareholders and determine whether he would receive greater value if he sells now or if he should continue to grow the company and contemplate a sale in the future.

Teaching Note: 8B02N05, (7 pages)

Industry: Business Services

Issues: Valuation, Growth, Managing Growth, Exit Strategy

Setting: Canada, Small organization, 1999

Difficulty: 4 - Undergraduate/MBA

Length: 19 pages