

**Supply Chain Management**  
**Course Number: 22:799:648**  
**Course Title: Valuation of New Business Ventures**

## **COURSE OVERVIEW**

This capstone course is a practicum for the Healthcare Analytics and Intelligence program (pending approval) and MBA students interested in healthcare practices. Students will learn new skills and will leverage the knowledge and skills that they gained in program to conduct real world technical, economic, and financial due diligence around forming a healthcare organization. Student teams will learn how to and will actually research, write, and pitch business plans for one of:

1. clinicians in private practice;
2. those wishing to start a healthcare service company; and,
3. hospital executives involved strategy development<sup>1</sup>
  - a. with mergers and acquisitions; or,
  - b. partnering with a Health Plan.

Students will form teams around the class content and develop a business plan, a 2-minute pitch and a 30-minute pitch.

We will use the textbook, but I will be supplementing/amending the text with the specifics associated with each of the three types of class projects.

The class will be a hybrid. Some classes will be in person. Some classes recorded on line.

This course is a lot of work, but will be very rewarding.

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## **COURSE MATERIALS**

**Required Textbook:** Bruce R. Barringer, "Preparing Effective Business Plans - An Entrepreneurial Approach," Pearson Prentice Hall

Helpful website: <http://www.bplans.com>

### **Useful Information for Conducting Healthcare Research**

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<sup>1</sup> We will be making the assumption that the hospital system in question has already acquired enough primary and specialty care practitioners to form a sufficient network in the communities it currently serves.

### **County Level Information** <https://data.hrsa.gov>

<https://data.bls.gov/search/query/results?cx=013738036195919377644%3A6ih0hfrgl50&q=county+data>

<https://www.census.gov> searching for healthcare data.

<https://www.ccwdata.org/web/guest/medicaid-data> for Medicaid data

<https://data.medicare.gov/> Medicare data

[https://bhw.hrsa.gov/sites/default/files/bhw/nchwa/HRSA\\_BHW\\_NCHWA\\_Compndium\\_of\\_Federal\\_Data\\_Sources\\_Updated\\_RC\\_092817\\_Final.pdf](https://bhw.hrsa.gov/sites/default/files/bhw/nchwa/HRSA_BHW_NCHWA_Compndium_of_Federal_Data_Sources_Updated_RC_092817_Final.pdf)

<http://proximityone.com/ahrf/AHRF%20USER%202016-2017.doc>

### **State level information**

<https://www.mercatus.org/publications/healthcare-openness-and-access-project>

<https://www.kff.org>

<https://www.ccwdata.org/web/guest/medicaid-data> for Medicaid data

<https://data.medicare.gov/> Medicare data

Searching Google for specific areas of interest often yields some good results.

### **Required Equipment:**

A laptop computer that has internet connectivity and is loaded with Excel and an internet browser.

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## **LEARNING GOALS AND OBJECTIVES**

Students will learn how to:

- Conduct industry analysis
- Conduct market analysis
- Conduct location analysis
- Create go-to-market strategies
- Build integrated financial statements in Excel
- Write business plans
- Understand and negotiate term sheets
- Understand the different types of funding available to medical start ups.
- Do one minute and 30-minute pitches
- Solve unstructured problems and present the results to stakeholders.
- Pitch ideas and investment proposals
- Do multifunctional analyses
- Work in teams
- Meet deadlines
- Make recommendations
- Develop and present implementation plans
- Communicate ideas effectively
- Conduct industry and firm-level research
- Identify key decision makers and their motivations

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## PREREQUISITES

Understanding of basic accounting reports and statements (income statements, balance sheets, cash flow statements, etc.) and background in healthcare are prerequisite for this course. The course relies heavily on the core skills that every student in MBA and specialty master programs must possess. Although the course is a capstone course, it is by construction and intent a multidisciplinary course that has a unique capital and perhaps a venture capital perspective.

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## ACADEMIC INTEGRITY

*I do NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.

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## GRADING POLICY

Midterm Exam	40%
Business Plan	30% (15% Instructor, 7.5% Teammates, 7.5% other students)
Pitches (2- and 30-minute)	20% (10% Instructor, 5.0% Teammates, 5.0% other students)
Homework Assignments	10%

The in class exam will be administered during the class period and will be taken individually. The business plan (word document) grade is evaluated on a group basis, and is comprised of the group’s performance on both the finished business plan and the interim deliverables. The pitches - both the elevator pitch (word document) and the 30-minute pitch (power point presentation) - are evaluated on a group basis. Business plans and pitch grades will be 50% graded by fellow students and 50% by instructor. This is similar to the grading in the projects course. Note that classmate evaluations will not be anonymous as I will be grading the quality of those evaluations in with the homework grades. (Prior experience has shown that the quality of these evaluations is spotty when they are done anonymously.) Teammate evaluations will be anonymous and taken as given.

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## COURSE SCHEDULE

**Please read Chapter 1, Why Plan of the textbook prior to our first class.**

## PRELIMINARIES

### **Class #1 – (In Person)**

Hour 1-- Course overview - syllabus, deliverables, grading.

Team Dynamics

Formation of Teams

Hours 2-3--Introductory Lecture—Why Plan?

Disruptive vs. Sustaining Business Ideas

**Read Chapter 2, Developing and Screening Business Ideas and Chapter 5 Industry Analysis.**

### **Class #2 —Review of Chapters 2 and 5**

Porter's Framework for Industry Analysis

Application to

Medical Practice Formulation

Medical Service Company Formulation

Health System Strategy Formulation

**Homework: Perform Porter's framework for industry analysis and the industry analysis from Chapter 5 for your project. Develop and screen your team's business idea. Is it disruptive or sustaining? The more disruptive the better, which could prove difficult to do in a healthcare setting. Think outside the box! Teams present to the class on ().**

**Class #3 – —Each Team Meets on A Webcast with me to Answer Questions on Class 2 and review progress on homework.**

**Homework: Read Chapter 3—Feasibility Analysis & Listen to recording.**

**Class #4 – — Each Team Meets on A Webcast with me to Answer Questions on Chapter 3 recording and review progress on homework.**

**Homework: Complete feasibility analysis for presentation on ().**

## PREPARING A BUSINESS PLAN

**Read Chapter 4—Introductory Material, Executive Summary and Description of the Business**

**Class #5 —Teams Present Business Ideas, Industry Analysis and Feasibility Analysis to Class. Review Chapter 4 (In Person)**

Format of the Business Plan

Executive Summary

Description

Naming

**Submit Your Presentation**

**Homework: Begin drafting your business plan, including the front sections discussed in Class 5 and the Industry Analysis section.**

**Read Chapter 6 Market Analysis & Listen to Recorded Lecture.**

**Class #6 -- Each Team Meets on A Webcast with me to Answer Questions on Chapter 6 recording and review progress on homework.**

**Homework: Read Chapter 7 and Listen to recorded lecture. Begin drafting Marketing Plan.**

**Class #7 — Each Team Meets on A Webcast with me to Answer Questions on Chapter 7 recording and review progress on homework.**

**Homework: Finish Marketing Plan. Read Chapter 8, Management and Team Structure and Chapter 9, Operations Plan and Service Development Plan.**

**Break**

**Class #8 —Review Chapters 8 and 9 (In Person)**

Application to

Medical Practice Formulation

Medical Service Company Formulation

Health System Strategy Formulation

**Homework: Draft Management Plan. Draft Operations Plan and Service Plan. Read Chapter 10, Financial Projections.**

**Class #9 – —Review Chapter 10—Financial Projections and Exam Review Session (In Person)**

**Homework: Study for In Class Exam Covering All Material to Date**

**Class #10 –**

**In Class Exam**

**Homework: Begin Financial Projections.**

**Class #11 ---- Each Team Meets on A Webcast with me to Answer Questions on Financial Projections.**

**Homework: Complete Financial Projections. Read Chapter 11, Presenting the Plan with Confidence & Listen to Recording.**

**Class #12 -- Each Team Meets on A Webcast with me to Answer Questions on Chapter 11. **Send in Financial Projections.****

**Homework: Finish drafts of business plan document, 30-minute ppt Pitch, and 2-minute pitch.**

**Class #13 -- Each Team Meets on A Webcast with me to review all materials**

**Homework: Finalize all materials. Upload to Canvas.**

**Class #14 -- Teams Present 2-minute & 30-minute Pitch to Class**

**Homework: Classmates put their evaluations in the Canvas by (). Teammates put their evaluations in Canvas by. Grades posted by**

Note: Numeric grades converted to Alpha Grades as follows:

A	90.00 – 100	C	70.00 – 76.99
B+	87.00 – 89.00	D	60.00 – 69.99
B	80.00 – 86.99	F	59.99 and Lower
C+	77.00 – 79.99		

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## **SUPPORT SERVICES**

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](http://ods.rutgers.edu).

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email [dsoffice@echo.rutgers.edu](mailto:dsoffice@echo.rutgers.edu)]

[Rutgers University-Newark ODS phone (973)353-5375 or email [ods@newark.rutgers.edu](mailto:ods@newark.rutgers.edu)]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email [jackie.moran@rutgers.edu](mailto:jackie.moran@rutgers.edu)]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu)]

If you seek **religious accommodations**, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email [deanofstudents@echo.rutgers.edu](mailto:deanofstudents@echo.rutgers.edu)]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email [DeanofStudents@newark.rutgers.edu](mailto:DeanofStudents@newark.rutgers.edu)]

If you have experienced any form of **gender or sex-based discrimination or harassment**, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: [https://cm.maxient.com/reportingform.php?RutgersUniv&layout\\_id=7](https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7) . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu). If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email [run.vpva@rutgers.edu](mailto:run.vpva@rutgers.edu)]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military **veteran** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of **physical health** services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: [PALS@newark.rutgers.edu](mailto:PALS@newark.rutgers.edu)]

[Rutgers–New Brunswick: [eslpals@english.rutgers.edu](mailto:eslpals@english.rutgers.edu)]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]