Course History

In this section, Joseph Hadzima shares how he started 15.S21 Nuts and Bolts of New Ventures/Business Plans in response to a dare and how he networked to find engaging speakers for the course. He also describes the origins of two key elements in the course: an emphasis on developing business plans and the bringing together of students from business, science, and engineering for the purpose of developing new ventures.

We Dare You Not to Show Up

In the late 1980s, I was teaching a course on law. One student came up to me and said, "During the independent activities period, could you teach a course about starting a company? You have a lot of experience with companies, you're very practical, and it would be a good thing." I told him there were other MIT courses about starting companies, but that I'd look into the idea. Then, of course, I got busy with other things.

At that time, we didn't have the Internet. All the academic catalogs were in print form. Somehow—and I don't know how he pulled it off—this student managed to put in the catalog that I would be teaching a course in January on how to start a company; dates and location to be determined. He sent it to me and said, "Well, we put it in the catalog. We dare you not to show up."

My first reaction was to be a little annoyed. But then I figured, well, all you really need to start a company is a customer, somebody who wants what you're selling. Here's a student who wants what I can teach. So let me figure out how to do it.

Finding the Right People

I didn't really have enough time to put a full course together, so I knew I'd need outside speakers. I thought of eight things people should know about if they were going to start a company and then I got on the phone and started calling people that I knew and had seen give talks. I asked if they could come talk about one of the eight topics.

If you can define a task clearly, get the right people, explain the task, and then get out of their way, great things happen.

— Joseph Hadzima

If I didn't personally know a person who could talk about a particular topic, I would call someone I knew and ask for a recommendation. I emphasized that they needed to have seen the people they were recommending actually teach, because the class needed to be engaging. That worked. I started to get people. Of the original eight presenters, I had only met about three of them before they came to the class. I relied heavily on a network effect.

I didn't want to put a big burden on the speakers, because they were all busy people. I made it easy for them by saying, "Well, why don't you come and spend 10 or 15 minutes on two or three things that you wish somebody had told you about your topic when you were starting out. And then we'll just do questions and answers." This seemed to work for them.

But then I had the fear that I was going to invite all these outside people, and there would be only 10 students in the class! So I started calling and sending letters—we didn't have email back then—to everybody, including my clients (I was a practicing lawyer at that time), announcing the course and telling them that it was open to the public. The last thing in the world I wanted was to have all these busy people coming and only the front row of the classroom filled.

Luckily, we ended up filling a very large classroom, with some participants sitting in the aisles. And off we went! It was just wonderful. This process of creating the course taught me a really important lesson: If you can define a task clearly, get the right people, explain the task, and then get out of their way, great things happen. I think if I had tried to teach the course myself, it would have taken twice as long, and it wouldn't have been as good.

Emphasizing Business Plans

The [MIT $100K Entrepreneurship Competition](#) was originally a $10K competition. In the second year of the competition, the team that won was the only team that mentioned the word customer anywhere in its plan. That's how basic we were back then. We recognized, early on, that we needed to provide competitors with some guidance about writing business plans, because most of the original plans read like grant proposals.

At that time, there really weren't any courses that could prepare people to enter the competition. The MIT Enterprise Forum offered a weeklong session on starting companies, but there was nothing that talked specifically about business plans. Executive summaries for the competition were due the first week in February, so our course, offered during January, filled this gap.

We decided to include "business plans" in the name of the course to communicate to participants that the competition was really about trying to figure out if their ideas could be businesses. We wanted them to define their businesses and the resources they would need to get those businesses off the ground. People don't like to write big business plans these days, but as Dwight Eisenhower said, "Plans are worthless, but planning is everything." The course seemed perfectly positioned to communicate this message.

Bringing Together Students from Business, Science, and Engineering

In the second year of the competition, David Morgenthaler of Morgenthaler Ventures, was on campus, saw the competition, and was intrigued. He asked students, who were involved in organizing the competition, what they spent most of their time doing. They told him they spent most of their time trying to fundraise prize money. He said, "If you didn't have to do that, what would you do?" The students told him that if they didn't have to fundraise, they'd put more

energy into positioning the competition as an opportunity to create tomorrow's leading companies. Morgenthaler, along with his wife, said, "go for it," and agreed to put up three years of prize money.

That was the push for students to create teams of people from across sectors. In particular, they worked to bring together students from business, science, and engineering. This teamwork element, which is now a central aspect of the course, built on the work of Ed Roberts who wrote the classic book, *Entrepreneurs in High Technology* (1991). This book, which talks about the importance of teams, has been almost a Bible for successful high tech entrepreneurs. It sounds obvious today, but Roberts presented statistical data to support the idea that teamwork matters. *15.S21 Nuts and Bolts of New Ventures/Business Plans* was the first MIT course I'm aware of to bring engineering and science together with business in a significant way.