



**London
South Bank
University**

EST 1892

Module Guide

Funding Enterprise Projects

BBS_6_FEP

School of Business

Level 6

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1. MODULE DETAILS

Module Title:	Funding Enterprise Projects
Module Level:	6
Module Reference Number:	BBS_6_FEP
Credit Value:	20
Student Study Hours:	200
Contact Hours:	60
Private Study Hours:	140
Pre-requisite Learning (If applicable):	None
Co-requisite Modules (If applicable):	None
Course(s):	Business Management with Enterprise & Entrepreneurship / Marketing with Enterprise & Entrepreneurship
Year and Semester	3, Semester 2
Module Coordinator:	Paul Moran
MC Contact Details	moranp@lsbu.ac.uk
Subject Area:	Business & Enterprise
Summary of Assessment Method:	100% Coursework
External Examiner appointed for module:	

2. SHORT DESCRIPTION

- This module develops the skills needed to develop successful enterprise creation by examining the avenues of funding potential ventures.
- The module develops the mind-set of entrepreneurs and enterprise manager's skills in understanding financial and funding requirements of new and developing enterprises
- This module provides an intense grounding in entrepreneurial and enterprise funding, aiming to build students' awareness of different forms of entrepreneurial and enterprise funding and build their effectiveness in entrepreneurial finance.

3. AIMS OF THE MODULE

To help students to be confident in obtaining funding for their entrepreneurial schemes in enterprise projects. The module will give students the understanding and requirements of enterprise funding in order to support entrepreneurial project start-ups and new venture creation and development. It provides a clear road map for the delivery of funding options and tools for new projects / ventures, to:

- Develop an understanding of enterprise funding in the development of various new and established projects
- Understand the methods of obtaining finance and the development of new ventures
- Understanding the role and rationale for funding, and how finances are managed in different types of projects
- Demonstrate the ability to source short- and long-term entrepreneurial funding for different types of organisations

4. LEARNING OUTCOMES

On completion of this module students will be able to:

Knowledge and Understanding:

- A1. Develop an understanding of enterprise financing activities and how funding is obtained and managed in different types of start-ups and existing businesses
- A2. Understand the processes of procuring funding via traditional procurement strategies and sources of finance in an enterprise undertaking to determine the commercial viability of a business

A3. Understand business funding and determine the sources and financial instruments used in financing: such as long term and short term debt, mezzanine finance, equity, 'bootstrapping' etc

Intellectual Skills:

- B1 Prepare plans for entrepreneurial projects based on budgeting techniques and undertake financial assessment management for the enterprise
- B2 Critically evaluate relevant information for inclusion in enterprise budgets, for effective entrepreneurial financing
- B3 Evaluate the different contractual funding strategies utilised to procure enterprise funding under public/public-private/private financing routes

Practical Skills:

- C1: Develop a financial appraisal of a business start-ups as a first component of procuring entrepreneurial capital in view of stakeholder analysis
- C2: Examine a budget analysis of a start-up and describe ways in which funding can be obtained and influence new start-ups and work in practice

Transferable Skills:

- D1: Communicate effectively methods of obtaining entrepreneurial capital to enhance start-ups potentials and executing a project under effective entrepreneurial capital;
- D2: Write usable budget and proposal documentations including business cases and entrepreneurial capital financing reports.

5. ASSESSMENT OF THE MODULE

FORMATIVE ASSESSMENT

5.1 1) Task 1

Identify a small start-up enterprise that you are familiar with. The company should be established but still small, and until now has been self-funded (i.e. they haven't raised money from investors – the money to establish the company has been their own, family or friends) Summarise in 10 slides or less the following:

- company purpose/mission
- problem it is addressing
- solution it is offering
- business model
- competition
- company structure and resource (e.g. ownership, number of employees, roles)
- estimated market size and market share

If you cannot identify a start-up enterprise then use the following case:

Art Fulcrum was established 2 years ago by its founder. It is a social networking site targeted at individuals either working in the sector or who have a passion for art. The company acts as a facilitator – enabling like minded people to reach out to each other, find local art groups that are of interest, facilitate introductions etc. The founder makes money by offering paid-for additional services (e.g. to a restricted member site, membership that prevents unsolicited approaches from other members), organising events (e.g. paid for attendance to an auditioning

workshop) and affiliate revenue (introductions to other companies, sites etc that Art Fulcrum take a commission on).

5.2 2) Task 2

Demonstrate research into enterprise funding by providing links to 2 articles (they can be academic, general media, YouTube etc) that have helped your knowledge and understanding of the module

The submission date for the formative assessment is Friday 6th March 2020. A hard copy print out will be handed-in, in class

5.3 3) Student Advice – Formative

The formative is a pre-requirement to be able to submit your summative assessment i.e. if you haven't submitted your formative then it will be recommended that you are ineligible to submit your summative assessment

Summative

5.4 1. Assessment Requirements

This is an independent assignment – to be completed **individually**

You are acting as an advisor to a new business start-up. Your role is to advise and support the company in raising the funding necessary for the business to successfully grow. The company that you use must be the same as the one you have used in your formative assessment.

The module is 100% coursework assessed – and is made up of two assessments.

- **Section 1.** A 2,500 word report (weighting 50%) for the owners of the business outlining the business case for investment. This report must include the following:
 - a. Company purpose
 - b. Market position and the size of the opportunity
 - c. Consideration of the exit strategy
 - d. A review of the current funding market
 - e. Evaluation of the risks and issues associated with different funding options
 - f. Recommended source of funding for the company

- **Section 2.** A 2,500 word financial evaluation (weighting 50%) to support a business case to be presented to potential investors. The financial evaluation should cover 5 years. This must include the following:
 - a. Cash flow projections
 - b. Estimated company valuation today and at exit
 - c. Sensitivity analysis
 - d. Explicit consideration of the key factors that might be included and acceptable to a company in a terms sheet (e.g. the % ownership granted to investors, terms for current investors in event of future fund raising etc.)
 - e. Key milestones and deliverables linked to further funding rounds

Your report should be in Word. It is expected that you will use a spreadsheet for the calculations and creating tables. These should be pasted into your Word report.

5.5 2. Submission Deadline

The submission deadline for summative assessment is Friday May 22nd 2020. If the deadline is not met, then penalties will apply. (See Course Handbook for details.)

6. FEEDBACK

Generic feedback on the report is targeted to be completed within three weeks of the hand in date.

7. INTRODUCTION TO STUDYING THE MODULE

7.1 Overview of the Main Content

The module will be delivered with via a combination of reflective practices of skill sets that will be built through lectures and workshop seminar sessions, to show how to put skills into practice for entrepreneurial funding. Scenarios will be used to explore methodological issues relating to funding and also to draw on the experience of students in entrepreneurial financing.

The indicative content is:

- Business Start-up Funds
- Financial Budget Planning
- Entrepreneurial Capital Needs
- Equity
- Seed Money
- Investment Angels
- Bank Loans
- Venture Capitalists
- Mezzanine Loans
- Crowd Funding
- Government Young Enterprise loans “Prince’s Trust”
- Bootstrapping

7.2 Employability

- The module develops the students understanding of enterprising funding in an evolving environment. It is important for entrepreneurs to understand the key financial concepts, which are critical to business success. Students will establish how much money a business is making, or if suppliers can be paid on time, or how much should be charged for services and products, which are essential employability skills.
- This module develops the techniques used by businesses to keep track of all things financial from working out how much money the enterprise is making to whether it can get a bank loan to help with future expansion. These are important matters for business start-ups. As well as preparing financial information a lot of emphasis is placed upon how this information should be used as a guide to decision making.

8. THE PROGRAMME OF TEACHING, LEARNING AND ASSESSMENT

The Semester runs from Monday 27 January 2020 to Friday 5 June 2020

The Easter holiday lasts three weeks and runs from Monday 6 April 2020 to Friday 24 April 2020

Week	Lecture
Week 1 Starting 27 th January 2020	Module Introduction
Week 2 Starting 3 rd February 2020	The Investor Perspective
Week 3 Starting 10 th February 2020	What matters to Investors
Week 4 Starting 17 th February 2020	Business Model Development
Week 5 Starting 24 th February 2020	Formative Assessment
Week 6 Starting 2 nd March 2020	Valuation
Week 7 Starting 9 th March 2020	Financial Analysis
Week 8 Starting 16 th March 2020	Funding Options 1
Week 9 Starting 23 rd March 2020	Funding Options 2
Week 10 Starting 30 th March 2020	Term Sheets and Exit

Easter Break	
Week 11 Starting 27 th April 2020	Pulling bit all together (recap)
Week 12 Starting 4 th May 2020	Pulling it all together (recap)

9. STUDENT EVALUATION

Previous year's evaluation was very positive with no specific areas for improvement identified.

10. LEARNING RESOURCES

10.1 Reading List

Core Reading

- Alhabeeb, M.J. (2015). *Entrepreneurial Finance: Fundamentals of Financial Planning and Management for Small Business*. Wiley.

Background Reading

- Gatti, S. (2012). *Project Finance in Theory and Practice* (2nd edition). Elsevier.
- Gibbons, G., Hisrich, R., Da Silva, C. (2015). *Entrepreneurial Finance: A Global Perspective*. Sage.
- Spinelli, S. and Adams, R. (2012). *New Venture Creation: Entrepreneurship for the 21st Century*. McGraw-Hill.

Optional Reading

- Berkery, D. (2007). *Raising Venture Capital for the Serious Entrepreneur*. New York: McGraw-Hill.
- Gompers, P., and Lerner, J. (2011). *The Money of Invention*. Boston: Harvard Business School Press.
- Kocis, J., Bachmann, J., Long, A., and Nickels, C. (2009). *Inside Private Equity*. Hoboken: Wiley
- Warnes, B., (1984) *The Genghis Khan Guide to Business*. London: Osmosis Publications

[The online version of this reading list can be found on Reading Lists Online: <http://readinglists.lsbu.ac.uk>. It can also be accessed via the Moodle site of this module.]

10.2 Library and Learning Resources (LLR)

Library webpage: <https://libguides.lsbu.ac.uk/subjects> > select your subject guide (e.g. Accounting and Finance). On every subject guide, you can

- search for books and e-books, journal articles and industry reports;
- get help about Harvard referencing and how to avoid plagiarism;
- contact us for training and 1:1 support

Electronic resources are available 24/7 and are accessible from home.

Library support for students:

- You are encouraged to book additional workshops to learn how to find research materials and reference them: MyLSBU > Library > [Events and Workshops](#)
- Visit the drop-in Research Help Desk located on Level 3 Bridge in the Perry Library (open Monday-Friday 11:00-16:00 term time).
- If you would like further help, please contact the Information Skills Librarian at: LLRbus@lsbu.ac.uk.

Students IT support and training

- Students can contact LRC for IT issues such as LSBU account, printing, and accessing wifi network: LLRithelpdesk@lsbu.ac.uk. IT workshops can be booked via MyLSBU > Library > Events and Workshops.
- If you need further help in using a particular software (e.g. Excel or SPSS) or application, please contact IT and Digital Skills Training team: digitalskills@lsbu.ac.uk

Self-learning materials on Lynda.com

LSBU has subscribed to video platform called LinkedIn Learning (formerly Lynda.com). It has 4000+ video courses in different business and technology subjects including social media, project management and Excel applications.

How to sign up: go to <https://www.lynda.com/signin/organization> and click "Sign In". Click 'Sign in with your organization portal', and type lsbu.ac.uk. Continue. Follow the steps to enter your LSBU logins.