



בית הספר למוסמכים במינהל עסקים ע"ש ליאון רקנאטי

## XXXX.2601.01–Effective Decision making in Startups

(for MBA and exchange program students)

Mr. Gil Hoizman

Prerequisites: None

Module 2– 2019/20

### Course Details

A 6-week 7-session course, taught in English starting Monday December 16<sup>th</sup> 2019

Day	Hours	Lecturer	Email	Phone
Monday	15:45 – 18:30	Mr. Gil Hoizman	Gil@hoizman.com	054-454-5434

Exam date: No exam; Teaching Assistant (TA): TBD; Office Hours: By appointment.

### Course description

The goal of this course is to help each of one of you become a better problem solver, negotiator and decision maker as a startup executive or as a senior employee and to help you develop an arsenal of tools to achieve and maintain more stable and fruitful work relationships.

#### Course main topics

How to make wiser founding decisions (Solo vs. co-founders, Equity splitting, roles, decision-making mechanisms etc.) and avoid common pitfalls that can ruin your startup? How to make effective decisions in strategic junctions? How to overcome various type of tensions with co-founders? How to change the dynamics of the interactions with investors?

We will review all the phases of effective decision making: Situation analysis, Investigative action plans, development of viable alternatives, weighing carefully those alternatives against more than one future scenario, and setting up processes towards high quality group decision making. In addition, we will discuss alternative communication methods, effective influence tactics, and learn how to defend against negative influence tactics of others

#### Course design & conduct

I believe that very few people adapt their decision-making habits after reading books or listening to lectures. Therefore, I designed this course to be **very different from most MBA courses**. There is no final exam. Lecture time is very limited and you cannot just fly

by. It is designed to **maximize practice time of situation analysis, decision-making processes, action & interaction – mostly in between sessions.**

In the context of case studies from HBS and from my own consulting practice, I designed **4 home roleplay exercises**. 2 of them will require multiple interactions. You will each play a role of a co-founder negotiating his or her equity with two other co-founders with secret instructions. You will need to help your teams make a group decision regarding the future of the startup in a group of 4-5 members, with a level of complexity that demands thinking about the process as much as about the outcome. In another Home exercise you will get access to a chain of emails that a few years ago led to an escalation among Israeli co-founders and you will need to find a way to help the co-founder and CEO to assert her will while de-escalating the situation.

You will have the chance to experiment and use tactics you may not use very often. You will spend time as teams and on your own debriefing your experiences and drawing lessons, and you will get plenty of opportunity for individual feedback.

During the sessions we will study new frameworks and tools. We will discuss each case study and review your home exercises. In addition, there will be **in-class interactive activities, in almost every session.**

During the course, you will also be able apply the tools and framework of the course to **work on dilemmas and challenging work situation you may have.** You will be allowed and encouraged to choose your own real dilemma as the topic of the decision analysis writeup assignment and get my feedback.

The TA and I will try to maximize the number of people you get a chance to interact with, and assign you with people from different professional backgrounds and countries of origin as much as possible.

Most likely, many of you are not native English speakers – You will have a chance to see that in this type of dilemmas, situations and communications, you can do very well in an international setting even without perfect English.

## Course Objectives

This course will allow you to

1. Practice decision making, problem solving and interaction in a risk-free environment that enable experimentation
2. Simulate and gain exposure to advanced founders' dilemmas and critical and challenging moments in early stage and later stage startups and to the level of accountability and resourcefulness expected from executives in these situations.
3. Learn about and experience new tools and processes for effective decision making and for development of balanced work relationships
4. Gain perspective and knowhow towards your current or future founding decisions
5. Develop your abilities in written and oral negotiations and communications

## Assessment and Grade Distribution

Grade weight	Assignments	Requirements
50%	<b>Home Roleplay Exercises (50%):</b> <b>HE1: Presidential (10%)</b> <b>HE2: Updown B (10%)</b> <b>HE3: Smartix group decision (20%)</b> <b>HE4: Cyber innovation (10%)</b>	Reading the case and the secret instructions. Following all the phases of the home exercises as instructed.  See below a short description of all home exercises. Further description and detailed instructions will be given in Moodle during the course.
40%	<b>Attendance, engagement, participation and contribution to class experience</b>	Attending the full length of all 7 sessions is required and essential. Students are expected to: <ul style="list-style-type: none"> <li>• Come to class well prepared,</li> <li>• Participate in class roleplays &amp; interactions</li> <li>• Be valuable contributors in class discussions</li> </ul> <b>No use of laptop / devices is allowed during the sessions</b>
10%	<b>Decision analysis write-up</b>	Use the frameworks of the course to analyze one of the following two: <ol style="list-style-type: none"> <li>1. a situation from a case study (TBD)</li> <li>2. Your own work-related decision / challenging work situation</li> </ol>

See below more details about the course assignments.

- If you know in advance you are about to miss part of a class– you need to let us know about it in advance. It will affect role plays assignments.
- For grading purposes, if you miss one session (for a good reason) you will be able to make up for it by submitting a written exercise instead. You need to be proactive and ask the TA for such an exercise.
- If you become unable to complete an assignment or course requirement, you must notify me/the TA in advance

## Grading Policy

As of the 2008/9 academic year the Faculty has implemented a grading policy for all graduate level courses. This policy applies to all graduate courses in the Faculty, and will be reflected in the final course grade. Accordingly, the final average of the class for this course will fall between 83-87%. Additional information regarding this policy can be found on the Faculty website.

## Course Outline

### **Session 1: (December 16<sup>th</sup>) Introduction & Situation analysis**

Case study discussion: **Laser Technologies (the lecturer's case)**

**Home Exercise 1: Presidential negotiations:** A 3-hour interactive negotiations using email, in one of the evenings before session 2.

### **Session 2 (December 23<sup>rd</sup>): Founder decisions**

HBS case study discussion: **"Splitting equity at Updown – Part A**

**Home Exercise 2: Updown B** - a week long negotiation of the founder agreement and equity splitting among co-founders in teams of 3.

### **Session 3: (December 30<sup>th</sup>) Alternatives for equity splitting**

Reviewing HE2: Updown B, discussing dynamic split and other founding decisions

#### **Decision-Analysis Writeup Assignment**

Use the frameworks of the course to analyze one of the following two:

1. a situation from a case study (TBD)
2. Your own work-related decision / challenging work situation

### **Session 4: (January 6<sup>th</sup>): Strategic decisions and group decisions**

Case study discussion "Evan Williams: from blogger to Odeo"; review of HE2: equity splitting at Updown

#### **Home Exercise 3: Smartix group decision**

A week long group decision making exercise in teams of 4 or 5 in two phases of submissions.

The exercise is based on the HBS case Smartix Dancing with Elephants

Each team will be asked to follow a unique decision-making process.

### **Session 5 (January 13<sup>th</sup>): Group decisions and introduction to conflict resolution**

Case study discussion: "Smartix - Dancing with Elephants" (HBS case) and reviewing HE3: Smartix group decision

### **Session 6 (January 20<sup>th</sup>): Resolving conflicts among co-founders**

Case study discussion: Sittercity (HBS case)

#### **Home Exercise 4: Cyber innovation email**

An individual assignment roleplaying the Israeli CEO of a startup that experienced a growing tension among its co-founders and needs to draft an email message that stabilize the situation.

### **Session 7 (January 27<sup>th</sup>): conflict resolution & course Summary**

Case study discussion: "Cyber Innovation Award" (The lecturer's case) We will review HE4: Cyber Innovation email home exercise; Conclude the conflict resolution module and the course

## Course Calendar

Course Calendar including assignments ● Assignment deadline

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	16	17	18	19	20	21
	1: Laser technology		HE1: Presidential	HE1: Presidential		
22	23	24	25	26	27	28
	2: Updown A		HE2: Updown B Negotiations			
29	30	31	1	2	3	4
	3: Updown B	Decision Analysis Write up				
5	6	7	8	9	10	11
	4: Evan...	HE3 Smartix group decision Assignment				
12	13	14	15	16	17	18
	5: Smartix					
19	20	21	22	23	24	25
	6: Sittercity	HE4: Cyber innovation email				
26	27	9	10			
	7: Cyber					

## Evaluation of the Course by Students

Following completion of the course students will participate in a teaching survey in order to evaluate the instructor and the course for the benefit of the students and the university.

## Course Site (Moodle)

The course Moodle site will be the primary tool used to communicate messages and material to students. It will be also be used to report back home exercise results. It is therefore recommended to periodically check the course site in general, before each and at the end of each session as well. (For example: instructions for home exercises) Key Course slides will be available on the course site.

## Course Assignments

### Home roleplay exercises: (50% of the final grade)

#### Home Exercise 1 - Presidential negotiations (between session 1 and 2)

Description: A 3-hour interactive negotiations, one on one, using email messages, in one of the evenings of the week before session 2.

Submission: At the end of negotiations, the team forwards the Email exchange to the TA. Later they debrief over the phone and submit an analysis of the negotiation **(grading weight: 10% of the final grade)**

#### Home Exercise 2: Updown B (between sessions 2 and 3)

Description: A week long negotiation in teams of 3 students each. In this exercise the students roleplay the 3 co-founders of Updown (HBS case Splitting equity at Updown) in their attempt to amend a founder agreement and agree on equity splitting among them.

Each one will have his /her secret instructions. and can choose his / her own tactics to reach the best outcome.

Submission: At the end of negotiations deadline, each team forwards their written agreement to the TA. Later each team meet to reveal to each other their tactics, debrief the exercise and submit a list with a chronological description of the chain of events, an analysis of the negotiation dynamics and lessons learned.

**(Grading: 10% of the final grade)**

### **Home Exercise 3: Smartix group decision (between sessions 4 and 5)**

Description: A week long group decision-making exercise in teams of 4 or 5.

The exercise is based on the HBS case Smartix Dancing with Elephants. Each team will be asked to follow one of three unique group decision-making processes. The exercise focuses on a critical decision for Smartix, and therefore this exercise is not only about reaching consensus. Each team will need to ensure a high-quality decision is taken.

Submission: There are two phases of submissions.

- Phase 1 – individuals / sub-team recommendation submission
- Phase 2 – group decision, presentation and debriefing submission

**(Grading weight: 20% of the final grade)**

### **Home Exercise 4 - Cyber innovation email (between sessions 6 and 7)**

Description: A week long individual assignment – Roleplaying Inbal the protagonist and CEO of the case The Cyber Innovation Award - dealing with an escalation that occurred in an Israeli startup and was amplified in a chain of email messages. Each student will be expected to analyze the situation, develop alternatives to diffuse the tension among the co-founders and practice writing an email draft on behalf of Inbal to overcome the tension and achieve other goals.

Submission: Analysis of the email exchange between Inbal and her co-founders. Develop a list of alternative courses of action; Submit the draft of a single email draft that aim to achieve all goals. Explain the logic behind that email.

(Grading weight: 10% of the final grade)

Further instructions for all exercises will be available at the course Moodle site.

### **Attendance, Participation, Engagement and Contribution:**

**Attendance:** Attending the full length of all 7 sessions is required and essential. It is also mandatory to let me know in advance if you happen to miss any part of a session – critical for our preparation of the sessions)

**Participation:** Students must come to class well prepared:

- Read the case of the week in detail, watch the videos in the Moodle and review previous class slides
- Be ready to share 2-3 interesting insights with the class
- Prepare to describe and debrief the home assignment of your group in front of the class and share critical lessons

**Engagement:**

- Participate in all in-class roleplays and interactive assignments

- Listen actively and carefully to your class mates thoughts and stories and find ways to elevate the level of discussion.
- **No use of laptops / tablets is allowed.**

**Contribution:** Each student is expected to

- Provide insightful questions and comments on concepts from lectures and readings;
- Share a story / experience / point of view from your own exeperience with the class
- Relate your comments to the discussion and control your urge to comment on other aspects of the case (4) clarifying issues; (5) relating ongoing topics to previous class discussions and (6) participating in the in-class exercises

### **Decision Analysis Writeup (DAW):**

Applying the frameworks of the course to analyze

- A case study we haven't learned in the course (TBD)
- Your own work-related decision / challenging work situation

A great writeup will:

1. show great attention to details (40 points)
2. use the frameworks and tools learned in the case in your analysis (60 points):
  - a. The situation analysis framework
  - b. Describe alternative explanations that can explain key facts in the case.
  - c. Describe investigative actions that may reveal more data about the situation
  - d. Develop more than one realistic alternative for dealing with the situation

(grading weight: 10% of the final grade)

## **Required Reading**

Case studies mentioned in the Course outline.

## **Recommended Reading**

Kahneman, D., Charan, R. & Sibony, O. (2013). *HBR's 10 Must Reads on Making Smart Decisions*. Harvard Business Press.

Heath, C., & Heath, D. (2013). *Decisive: How to make better choices in life and work*. Random House.

Wasserman, N. (2012). *The founder's dilemmas: Anticipating and avoiding the pitfalls that can sink a startup*. Princeton University Press.

Fisher, R., Ury, W. L., & Patton, B. (2011). *Getting to yes: Negotiating agreement without giving in*. Penguin.

Cohen, H. (2007). *Negotiate this!: by caring, but not THAT much*. Business Plus.

Ethan M.. Rasiel, & Paul N.. Friga. (2001). *The McKinsey mind: Understanding and implementing the problem-solving tools and management techniques of the world's top strategic consulting firm*. McGraw-Hill.

Kahneman, D. (2011). *Thinking, fast and slow*. Farrar, Straus and Giroux.

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