



## Small TLEF Project – Final Report

Report Completion Date: (2017/05/23)

### 1. PROJECT OVERVIEW

#### 1.1. General Information

<b>Project Title:</b>	<b>INSPIRING ENTREPRENEURSHIP THROUGH PREDICTION MARKETS</b>		
<b>Principal Investigator:</b>	<b>JOHN RIES</b>		
<b>Report Submitted By:</b>	<b>JOHN RIES</b>		
<b>Project Initiation Date:</b>	<b>APRIL 1, 2014</b>	<b>Project Completion Date:</b>	<b>MARCH 31, 2017</b>

#### 1.2. Project Summary

Fostering entrepreneurship is a major UBC initiative expressed in the slogan “Inspiring entrepreneurial thinking to create innovative ventures”. We contributed to this initiative by implementing an online prediction market for evaluating and forecasting the success of students’ entrepreneurial start-up ideas.

Students serve two roles in the activity. They are entrepreneurs who, as a part of a team, develop and periodically present new venture business plans. They also serve the role of investors who individually trade the stocks of the class ventures using an online interface.

We believe the prediction market delivers many benefits to pedagogy. It fosters learning by enabling students to interpret, analyze and synthesize information in a variety of business contexts. Through the activity, students develop the ability to recognize the way in which functional business areas impact each other. Because it is a game where students earn small rewards based on their success at matching the experts’ evaluations, it provides a stimulating learning environment.

#### 1.3. Team Members – (Please fill in the following table and include students, undergraduate or graduate, who participated in your project).

<b>Name</b>	<b>Title/Affiliation</b>	<b>Responsibilities/Roles</b>
MOMO DERETIC	LECTURER	MANAGEMENT OF EXPERIMENTS
YVONNE DIXON	RESEARCH ASSISTANT	RESEARCH SUPPORT



**1.4. Student Impact** – Please fill in the following table with **past, current, and future** courses and sections (e.g. HIST 101, 002, 2017/2018, Sep) that have been/will be impacted by your project, including any courses not included in your original proposal (you may adapt this section to the context of your project as necessary).

Course	Section	Academic Year	Term (Summer/Fall/Winter)
COMM 486Y	201	2013/2014	WINTER 2
COMM 497	201	2013/2014	WINTER 2
BAEN 550	MM	2014/2015	WINTER 2
COMM 497	201	2014/2015	WINTER 2
COMM 493	201	2015/2016	WINTER 2
COMM 493	203	2015/2016	WINTER 2
COMM 497	201	2015/2016	WINTER 2
COMM 497	201	2016/2017	WINTER 2
COEC 497	001	2016/2017	WINTER 2
COMM 498	202	2016/2017	WINTER 2
COMM 498	203	2016/2017	WINTER 2
COMM 491	921	2016/2017	SUMMER 1
COMM 491	922	2016/2017	SUMMER 1
COMM 498	101	2017/2018	WINTER 1
COMM 498	102	2017/2018	WINTER 1
COMM 498	103	2017/2018	WINTER 1
COMM 498	201	2017/2018	WINTER 2
COMM 497	201	2017/2018	WINTER 2
COEC 497	001	2017/2018	WINTER 2

**2. PROJECT EVALUATION**

**2.1. Project Outcomes** – Please list the intended outcomes or benefits of the project for students, TAs and/or instructors.

**Students**

Our project created a prediction market simulation used to evaluate entrepreneurial ventures proposed by students. The primary outcome of the project was that students were able to make well-informed and accurate evaluations of entrepreneurial start-up projects.

Students also acquired general skills and understanding how market based-forecasting/evaluation methods work and can be effective. Right now, there are no universally accepted valuation methods of new projects, particularly entrepreneurial start-ups, and even the allegedly most rigorous and comprehensive methods, such as those used by venture capital firms, have limited practical value. The simulation has broadened their horizons, improved their understanding of the entrepreneurship, and increased their analytical skills.

In addition, the prediction market provided an experiential learning environment that students found interesting and stimulating. The activity was highly regarded in the surveys we conducted.



## Instructors

Instructors benefit from a student-driven activity in and outside of class, which increases and enhances their motivation and involvement in the class activities and understanding of concepts.

### TA/RA

The RA who was hired benefited from the research she has done, as it expanded her knowledge base and skills.

### 2.2 Findings – Briefly describe the methods and findings of your project evaluation effort: to what extent were intended project outcomes achieved or not achieved?

The primary tool used in evaluation of the effectiveness of the project was a student survey. Based on 345 valid responses, the average level of students' satisfaction with the simulation was 7.8/10, which we find very encouraging. The same goes for the response to a qualitative question on the benefits of the simulation in terms of experiential learning – the majority of them were very positive.

### 2.3 Dissemination – Please provide a list of scholarly activities (e.g. publications, presentations, invited talks, etc.) in which you or anyone from your team have or intend to disseminate the outcomes of this project.

We are working on the manuscript of the research paper with the working title “Prediction Market for Evaluation of Entrepreneurial Start-up Projects as an online educational tool”.

### 3. TEACHING PRACTICES – Please indicate if **your** teaching practices or those of **others** have changed as a result of your project. If so, in what ways?

The project reinforced our view that experiential learning is valuable pedagogy. In the case of our prediction market, students were placed in a competitive environment with small prizes at the end where they took keen interest in using course tools to evaluate the likely success of entrepreneurial ventures. Experiential learning engages and facilitates learning. We've discussed the success of the project with others. We are committed to finding additional ways to incorporate experiential learning in the classroom and hope we have encouraged others to do so as well.

### 4. PROJECT SUSTAINMENT – Please describe the sustainment strategy for the project components. How will your work be sustained and/or potentially expanded (e.g. over the next five years)?

The project developed the infrastructure to allow the it to be used in the set of courses where it was employed in the past: C497 (New Enterprise Development), C498 (International Business Management), and C491 (Strategic Management). This infrastructure principally includes the software to run the simulation.

In the future, we anticipate more entrepreneurship courses at UBC. We believe the prediction market is a valuable tool in these courses and will encourage its widespread adoption.

We may apply for another TLEF grant in order to to enhance and expand the simulation. In particular, we would like to develop a mobile version of the software and construct a information portal/database. The latter may have research applications as the simulation can provide a laboratory for studying the behavior of entrepreneurs (who have dual roles as founders and investors in the simulation).