

# UNIT I: WHAT IS ENTREPRENEURSHIP?



*An empowered organization is one in which individuals have the knowledge, skill, desire, and opportunity to personally succeed in a way that leads to collective organizational success.*

**-Stephen R. Covey**

## UNIT I Section 1

**OBJECTIVE:** To distinguish and illustrate the characteristics of an entrepreneurial venture.

### Instructional Notes

What are some characteristics of an entrepreneurial venture? Some characteristics include: a set goal, an element of risk, personal commitment, planning and preparation and a commitment of numerous resources. It should be evident that the characteristics of entrepreneurial ventures are limitless and may be at differing levels of complexity.

Entrepreneurs may be present in many types of organizations:

- **profit and non-profit.** A commercial venture is created and remains viable due to the desire to sell something for a profit. A non-profit venture is created and remains viable as a result of a desire to improve the quality of life for a group in society. Examples: selling a new type of light fixture or volunteer work within the Red Cross.
- **large scale and small scale.** Entrepreneurial activity may take place within a large company or within the home, school, church or local community organization.
- **service production and goods production.** Entrepreneurs can be at work providing a service such as delivering food, mowing lawns, washing cars or they can be at work producing and selling a product such as hockey sticks, moccasins, tires, or advertising brochures.
- **local/national/international.** Activity can take place at home, in school, in the state, within the United States, or internationally. Students need to be aware of changes resulting from decisions of the North American Free Trade Agreement (NAFTA).

Entrepreneurs may also develop ventures around **social issues**. Activity in regard to social issues include: environmental concerns, globalization, energy depletion, reduced agricultural productivity, aging population, unemployment, stresses on the health care system, managing our deficits, technological advancements, agricultural development, and our multicultural society, including the increasing Hispanic population in the United States.

### Suggested Instructional Approaches and Assessment Techniques

Students may watch different television programs, listen to radio programs, or read journal and newspaper articles that feature entrepreneurs. What types of ventures are encountered? What are some of their characteristics? Students may record their reading, viewing, or interactions with entrepreneurs or entrepreneurial topics in a log.

After students have had an opportunity to identify characteristics of various entrepreneurial ventures, they may prepare a brief journal entry about the characteristics of a venture they would consider developing, outlining reasons why. Journal writings are not assessed. Teachers may wish to focus anecdotal comments on task attitude or motivation.

### Resources/Teacher Notes

See sample log in [Appendix B](#).

Discussion around profit and non-profit ventures may pick up on ventures such as those that have a social motive but require a profit to keep going. At this point, it is important to distinguish between profit and non-profit ventures and to develop the breakdown between profit and "social organizations."

A variety of resources may be consulted for background information on the Trade Agreements. Use the internet to research these topics.

## UNIT I Section 2

**OBJECTIVE:** To compare and contrast entrepreneurship and intrapreneurship.

### **Instructional Notes**

If entrepreneurship is a way of looking at things, what is intrapreneurship?

"Intra" means within, thus intrapreneurship means planting the spirit of entrepreneurship within an organization. Organizations may include corporations, government, not-for-profit organizations, hospitals, schools and others.

The leadership role of the entrepreneur is vital to intrapreneurship. One small entrepreneurial action can lead to another, and another, until the organization begins to transform. Employees who are willing to take risks, innovate, provide leadership and open opportunities to others within an organization are called **intrapreneurs**.

Often intrapreneurial action results from a crisis. What problems might intrapreneurs encounter within organizations today? Students may suggest: regional economic problems, changing role of business, recession, unemployment/layoffs, change in taxation, and third level government or others.

What may stifle an intrapreneur? It is often more difficult to be an intrapreneur within an organization than an entrepreneur who may develop and own a small business. Some suggestions for "stifling" that students may discuss are:

- bureaucracy where employees follow the system of being a "good" employee, avoiding anything risky;
- "hard worker/nose to the grindstone" syndrome where good hard work makes up for any ailments within the company;
- "am I protected if things go wrong" syndrome, rather than looking for ways to avoid or improve upon things that go wrong;
- government controls a large portion of the American economy and government workers tend to be the least entrepreneurial;
- too much time spent paper shuffling as opposed to reflecting upon the organization behaviour; and,
- racism, sexism or physical barriers for persons with disabilities.

### Suggested Instructional Approaches and Assessment Techniques

A concept attainment lesson may be used for defining intrapreneurship. What are the critical and non-critical attributes? The students label the concept intrapreneurship after identifying critical and non-critical attributes while analyzing examples and non-examples of the concept as presented by the teacher. Following this activity, students may be given several additional examples and non-examples of intrapreneurship to categorize and check their understanding further.

In concept attainment, the focus is on students "discovering" a concept. Assessment could focus on students' application skills (were they able to categorize? classify? and distinguish?); synthesis skills (how well did they explain? show relationships?); and evaluation skills (how did they judge? justify? draw conclusions?). A checklist, rating scale, or anecdotal record form may be used, specifically stating the criteria on which the teacher wishes to collect information.

A guest from an organization within the community may be invited to the classroom to discuss experiences with intrapreneurship in his/her organization. Likewise, the invited guest may be an intrapreneur who could share experiences with the class. Prior to the visit from the guest, students may prepare questions they would like the guest to address. A reflective discussion may be held following the guest's presentation.

Students may break into groups and develop a script for a role play of an "intrapreneurial" situation. The intrapreneurial situation may be one within the school organization, or a local or provincial organization. Alternatively, students may develop the script for a problem situation within the community that may be "in the news". Some examples of intrapreneurial activities that may be considered include fundraising for the school or a charity, development of an

### Resources/Teacher Notes

Teachers and students may collect case studies dealing with intrapreneurship that should be accumulated in a file for discussion. Initially, however, cases may be simulated from resources including newspaper articles, reference texts, magazines, Latino publications, and others.

[Appendix D](#) has some sample questions that may be considered when preparing to use outside resources.

environmentally sound school, or advertising or marketing of a new product.

As groups develop the script, one or two members of each group may play the role of positive support for an intrapreneurial plan while the other members of the group would try to stifle the suggestion. Roles may include employees, students, principals, trustees, supervisors, managers, Chief Executive Officers (CEOs), town officials, or others.

Assessment information may be collected on content elements such as: Was a role identified for each group member? Is the suggested plan feasible? Was there a cover page?

## UNIT I Section 3

**OBJECTIVE:** To explain and show the relationship of entrepreneurship education to the individual, community, and society as a whole.

### Instructional Notes

Why is entrepreneurial education beneficial for everyone in society? Review the definition of entrepreneurship. Why do citizens need to look at the world and deal with problems and perceived needs in new ways? Many people choose to leave problem solving and innovation to others. Entrepreneurs do not. There is more than money involved in entrepreneurship--there are new ideas, approaches, methods and styles that can be tested. Students should understand that entrepreneurial education and spirit applies to everyone regardless of what position, occupation or profession an individual selects.

Reasons for entrepreneurship education may be:

- to accept and respond to change;
- to adjust to an increasingly global, competitive economy (aspects of tradition and the past may be left behind);
- to find new ways to educate and train young workers: to care for the elderly, to assist individuals with disabilities, to retrain displaced workers, to reallocate resources to alternative uses, to deal with health issues (for example, AIDS or drugs), to protect the environment;
- to improve performance;
- to stimulate new business and the economy (new jobs and employment opportunities);
- to inspire and enhance opportunities for women, youth, elderly, minority groups;
- to move to an information society where the strategic resources are information, knowledge, and creativity;
- to help students shift to a "service industry base" from a manufacturing/industrial base;
- to use intuition as a management tool;
- to help reduce the number of failed business ventures; and,
- to address Latino Development initiatives.

Students should be able to see how entrepreneurship may benefit them individually and society as a whole. Examples may be given by the students.

### **Suggested Instructional Approaches and Assessment Techniques**

Students may brainstorm reasons for entrepreneurship education and its benefits. Anecdotal records may be used to record student cooperation and participation in brainstorming.

In groups of three or four, students may be provided a scenario and asked to devise a number of possible solutions. The scenario may involve a service-oriented or product-oriented occupation or profession requiring students to brainstorm new ideas, approaches, and improvements. Examples of scenarios may include: How might a doctor (the family doctor) improve the delivery of service for the community? Could the checkout procedures in the local grocery store be improved to meet the needs of customers? Assessment information may be collected on task attitude such as: demonstrates enthusiasm in providing ideas, cooperates with others, works with others as a team, and shows consideration for the comments of others. These criteria could be listed on a rating scale or observation checklist.

Case studies may be distributed for students to analyze how entrepreneurial education may be of benefit in the given situation. Case studies could profile a variety of successful and unsuccessful ventures. Students could focus on analyzing the case study and justifying and confirming the benefits of entrepreneurship education for the given situation. A written summary may be prepared. Assessment information may be collected on students' ability to analyze, extract, and suggest new possible outcomes. Students may also be assessed on skills such as the correct use of grammar, punctuation, sentence structure, spelling, and document format.

Referring to recent problems/situations within the school, community or in current community/newspaper

### **Resources/Teacher Notes**

Stress quantity rather than quality of responses in brainstorming. Encourage "hitchhiking" or "piggy-backing" onto brainstormed ideas.

articles, students may discuss how the problem/issue could benefit from entrepreneurial activity. For example, students may look at the homeless and how entrepreneurial activity may benefit that problem. Anecdotal notes may be collected on student positive contributions to the discussion.

## UNIT I Section 4

**OBJECTIVE:** To introduce entrepreneurial successes and Latino entrepreneurs to the students.

### Hispanic Entrepreneurs

By combining a willingness to take risks and a willingness to sacrifice and work hard in pursuit of a better life, Latinos, in the space of only a decade, have become the nation's fastest-growing pool of business owners, according to the Heritage Foundation. As Editor Tyce Palmaffy, of the Heritage Foundation's magazine, states, "Latinos are moving into every field, from major telecommunications firms to candle manufacturers. The most successful ones acquire skills and business acumen working for larger firms, build their savings, and, often with the help of family and friends, finally go into business for themselves." The result of this growth was portrayed in statistics released by the Census Bureau. Between 1987 and 1992, the last year for which these statistics are available, the number of US businesses owned by Hispanics rose 76 percent, from 490,000 to 836,000. The soaring growth of the Hispanic business community is not only lifting Hispanic incomes, it is also revitalizing neglected areas of cities where Hispanics have established a strong presence.

There are many organizations today that specifically support Hispanic Entrepreneurial ventures or provide additional resources to more information on starting your own business:

Websites-

[www.DiversityInc.com](http://www.DiversityInc.com)

[www.latinolink.com](http://www.latinolink.com)

National Hispanic Business Group - [www.infolatino.com/NHGB](http://www.infolatino.com/NHGB)

National Puerto Rican Business Council - [www.infolatino.com/NPRBC](http://www.infolatino.com/NPRBC)

League of United Latin American Citizens (LULAC) - [www.lulac.com](http://www.lulac.com)

*See also: list of entrepreneurial websites in appendix C*

*Example:*

**Business:** LULAC believes Latino Entrepreneurship should be greatly encouraged. Incentives for small business owners and investment in Latino-owned businesses should be a priority. Affirmative action policies in hiring should be retained and widely used to ensure diversity in all workplaces. LULAC strongly supports the continuation of Section 8a programs that has done so much to help Hispanic small businesses.

## SUCCESS STORIES

The following is a list of successful entrepreneurial ventures. Choose one and use your Internet resources to research a background profile on the organization and see how they got started.

Activision  
Avis Rent-a-car  
Bose Corporation  
Brinker International  
Bloomeberg Business News  
Burger King  
Burt's Bees  
Campbell's Soup  
Charles Schultz  
Coffee Rich  
Cisco Systems  
Dabney/Resnick  
Dell Computers  
Delta Airlines  
Domino's Pizza  
Eckerd Drugs  
Estee Lauder  
Federal Express  
Gateway 2000 Computers  
George Lucas  
Hallmark  
Home Depot  
Intel  
John Grisham, author  
Kinko's  
L.L.Bean  
Lay's Potato Chips  
Life Magazine  
Microsoft  
Nestle Foods  
Nintendo  
Netscape  
Nike Shoes

1-800-Flowers  
Perdue Chicken  
Polaroid  
Powerbar snack food  
Post-It Notes (3M)  
Ralph Lauren/Polo  
Styrofoam  
Successories  
Sharper Image  
Snapple  
Tower Records  
TV Guide  
Wal-Mart  
Wendy's  
Yellow Pages

### *Hispanic Entrepreneurs:*

CSP Communications  
Delta Engineering & Manufacturing  
Latina Magazine  
LUNA Entertainment  
Marivi Prado and Associates  
Quality Management Resources, Inc.  
Rick Montoya Services, Inc.

## Profiles of Successful Hispanic Entrepreneurial Leaders

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By combining a penchant for risk-taking and a willingness to sacrifice and work hard in pursuit of a better life, Latinos have become the nation's fastest growing group of business owners in the span of a decade. The following is a selection of successful entrepreneurs, ranging from CEO's of major corporations to managers of small businesses:

### **Roberto C. Goizueta** – Former CEO of Coca-Cola

Born into a Cuban family, Goizueta began his career in 1954 as a chemist in the Coca-Cola Company in Havana. After fleeing Castro, Goizueta relocated to Florida and progressed through the ranks of the company. By 1974, as head of Coke's labs, he was one of only two top chemists allowed to memorize the soda's secret formula. In 1981, Goizueta was tapped to run the Atlanta-based company. At the time, Coke was an omnipresent but floundering symbol of American business and culture. Subsequently, Goizueta became one of the most highly regarded of all CEOs, having turned one of the world's most nonessential consumer products into a money maker with annual sales of \$18.5 billion. His strategy: if a business doesn't add value, say goodbye. His desire to increase shareholder value became the dominant management theme of the 1990s. According to Berkshire Hathaway CEO Warren Buffet, a Coke board member, "He was a great leader and a great gentleman."

### **Solomon Trujillo** – CEO of US West Telecommunications

Trujillo, a native of Cheyenne, WY, joined US West in 1974 and held a number of assignments in marketing, sales, public policy, and operations. In 1983, he was named vice president for the company's operations in New Mexico. In 1987, he created a new division of US West to serve small business customers. Trujillo became president and CEO of US West marketing resources, the company's telephone directory of business, now known as US West Dex, in 1992. Since 1995, he has held the position of president and CEO of the "new" US West Communications. In this role, Trujillo has led a team producing 140 percent growth in total shareholder return and has been recently heralded as coming up with the most aggressive high-speed data employment of any local exchange carrier in the United States. Trujillo has been called the most important Hispanic in corporate

America today. He has been named one of the country's 100 most influential Hispanics and has received numerous awards for his business achievements and community service.

**Carlos Saladrigas** – Chairman and CEO of The Vincam Group, Inc.

The Vincam group provides small and medium-sized businesses with staffing-related services. Under the guidance of Saladrigas, the company has established a co-employer relationship with almost 2,000 clients by providing human resource administration, regulatory compliance, worker's compensation coverage, health care, and other employee benefits.

**Christy Haubegger** – Founder, President and Publisher of Latina Magazine

Haubegger was born to a Mexican-American mother, yet she was adopted to an Anglo family who chose to raise her with a strong knowledge of her ancestry. In 1996, she created Latina, the first national magazine for Hispanic women in the United States. The magazine is directed to Latinas of all ages, generally in the range of 18-49, and is centered in cities with large Hispanic populations, such as LA, NYC, and parts of Texas. According to Haubegger, "I wanted to change the way Latinas see themselves, as well as how others see them. I felt it was the one women's magazine that I'd want to read, and I kept thinking 'Somebody should do it.' And I finally realized that that somebody was going to have to be me."

*For more information, read attached interview.*

**Rafael Alvarado** – president and CEO of Better Bags, Inc.

Alvarado came to the US from Nicaragua in 1983. The idea for Better Bags, a company that manufactures high-quality produce bags for grocery stores, came from Alvarado's experience running a plastics factory back in Nicaragua. His produce bag is stronger and easier to use than the competition's; moreover, it allows for advertising on its surface. Alvarado knew that opening a new business would be a challenge, and in order to be successful, he would have to market his bag throughout the US. The strength and confidence to proceed came from being accepted in his local community in Houston. Within two years, Better Bags had \$3 million in gross sales. Currently, Alvarado has customers in 33 states and gross sales of \$12 million. Alvarado takes seriously his commitment to the company's employees and their families, as he provides health care and paid leave. This "empowerment" strategy has resulted in remarkably loyal staff, many of whom have been with the company for more than six years.

**Leonard Brennan Rodriguez** – president of Tiempo Productions

Rodriguez is a fifth generation Tejano who wanted to do something positive for the Hispanic Community. He created Tiempo Productions, whose motto is “You are bound only by your vision.” His first major publication is “The 1999 Celebrating Outstanding Hispanics Calendar – 500 Years of Latino Pride”, a day-to-day calendar profiling the accomplishments of more than 300 Latinos. Through this he hopes to increase the education of the Hispanic heritage and culture both within and outside of the Latino community. His advice for emerging Latino entrepreneurs is to, “Believe in yourself, listen to your heart and follow your dreams. I also found that the more I educated myself, the more confident I became. So my biggest piece of advice would be to educate yourself, work hard and when you do achieve success, and you will, do not forget to leave the door open behind you.”

*For more information, read the attached interview.*

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