

## UNIT II: WHAT IT TAKES TO BE AN ENTREPRENEUR



*Leadership is understanding people and involving them to help you do a job. That takes all of the good characteristics, like integrity, dedication of purpose, selflessness, knowledge, skill, implacability, as well as determination not to accept failure.*

**-Admiral Arleigh A. Burke**

## UNIT II Section 1

**OBJECTIVE:** To give examples of and outline the common characteristics of an entrepreneur

# ENTREPRENEURIAL TRAITS

- a spirit of adventure;
- a strong need to achieve and seek personal accomplishment;
- self confidence and self reliance;
- trust of other people;
- goal orientation;
- innovativeness, creativity and versatility;
- persistence;
- hard working and energetic;
- a positive attitude;
- a strong sense of personal awareness;
- willingness to take initiative;
- a strong sense of commitment;
- high energy level;
- ability to seek out and use feedback;
- integrity and reliability;
- patience;
- ability to deal with failure;
- leadership;
- an ability to inspire; and
- an understanding of different cultures.

The most important characteristic of an entrepreneur is team building. When students are identifying and listing the characteristics of an entrepreneur, team building should be stressed. Activity-based learning should be encouraged.

The students should be able to contribute and discuss some of the following common characteristics of an entrepreneur.

The students should realize these skills are important for effective entrepreneurship. The teacher may emphasize that most of these skills can be learned or developed. Each individual's skills, attributes and talents can be combined with other skills and talents in a successful entrepreneurial activity.

A supportive, talented team is needed to achieve success. An example that may be discussed is the Latino commitment to a community benefit model such as the ASPIRA Association. Cooperative ventures are other examples. Entrepreneurial ventures do not necessarily mean individualistic commitments; however, teamwork and support is important.

Some entrepreneurial characteristics are learnable while others may be more difficult to achieve. Students may categorize individual characteristics as learnable or difficult to acquire (some may be obtained through experience).

Help students to realize they may already possess many skills, attributes; and talents of entrepreneurs. Students may make lists of the qualities and talents they feel they possess and a list of the personal skills and talents they would like to achieve over the next period of time.

Students may wish to share their list of personal skills with a partner or a group with whom they feel comfortable and rate those skills as being beneficial to becoming an entrepreneur.

Undesirable entrepreneurial characteristics may also be discussed. Following is a list of some undesirable entrepreneurial characteristics that may be included in a discussion: invulnerability, machoism/feminism, impulsiveness, outer control, and perfectionism. Students may discuss how they may overcome these characteristics and determine why they are undesirable.

Skills can be categorized into personal skills, interpersonal skills, critical and creative thinking skills, and practical skills. At the end of this foundational objective, these various types of skills will be merged to be used in entrepreneurial ventures.

## Major Characteristics of Profitable CEOs

1. They maintain constant focus on the goal (usually profits)
2. The consistently profitable CEO is highly competent at profit generating skills
3. They structure the company and its strategy into a profit-oriented organization
4. They motivate and build employee and team strengths. They define the vision, mission, and goals of the company.
5. They communicate the vision through inspirational speeches and written messages.
6. They build teams
7. They place emphasis on accounting and financial analysis tools in their decision making process
8. They monitor internal and external events.

---Frank Tooney, CEOs: Actions and Traits That Result in Profitable Companies.

*"It helps if you're a nonlinear thinker. And it takes a certain amount of persuasion, which means empathy.....Entrepreneurs always seemed to me like the artists of the business world, because we put things together that haven't gone together in the past."*

-Gloria Steinem, feminist leader

## **The Essence of Entrepreneurship**

The essence of Entrepreneurship lies in the entrepreneurs' creative base. Entrepreneurs approach their problems creatively and often feel the need to express their inner visions. Their approach is similar to that of an artist. As artists use tools such as paint, canvas, brushes and vision, entrepreneurs use tools such as capital, people, markets, and ideas. They organize these tools in new and different ways that give them a critical advantage in the business world.

The essence of Entrepreneurship consists of the following five characteristics, which combine to form the creative base of the entrepreneur:

**Intuition**  
**Will**  
**Joy**  
**Strength**  
**Compassion**

With these five characteristics, the entrepreneur has the resources to approach every business challenge in a new and productive manner. Creativity is an important prerequisite to entrepreneurial success. Without it, an entrepreneur can have a functioning business, yet lack the drive and generation of new ideas to move it into the 21<sup>st</sup> Century.

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

Advance Organizer. Students may refer to the entrepreneurial cycle outlined in the first unit. Building skills is step 1 in the cycle; however, students must realize that building skills will continue to be a lifelong experience for the entrepreneur.

Students may view/read entrepreneur profiles/case studies and begin to accumulate data for a report on what they conceive to be the "entrepreneurial ego." Teachers and/or students could develop a viewing guide that students could complete while watching or examining videos/films/programs/case studies/profiles of entrepreneurs. This "guide" should focus on important understandings, important relationships, a necessary prior knowledge. The viewing guide may be completed as an individual or small-group written assignments that could be assessed for content (knowledge).

Criteria for the compilation, development and assessment of the entrepreneurial ego report may be determined with the students to ensure that they have guidelines to follow and know what is expected. The criteria could be listed on self-assessment checklists. Criteria to assess may include content such as the components required in the report, the evidence of process skills such as gathering and organizing information, and technical skills such as spelling, grammar, and sentence structure.

The characteristics of an entrepreneur may be attained through experiential types of activities. Students may view videocassette tapes, read case studies/profiles, or listen to speakers who may come into the classroom. Not every business person is an entrepreneur--as the lesson progresses, students may be able to identify people who are and are not entrepreneurs. Viewing or listening guides listing the knowledge to be gained and assessed from the resources may be developed and distributed as an individual written assignment. The assignment may be assessed for the accuracy of the answers.

After students have been exposed to a number of examples of entrepreneurs, they may brainstorm the characteristics they perceive or students may be given a list of the characteristics and may place the name of the entrepreneur who possesses the characteristic next to each entry. An anecdotal note may be recorded on student task attitude. The assignment may be assessed for the accuracy of the answers.

Invite an entrepreneur to the classroom. Prior to the visit, students may be involved in developing questions to stimulate discussion. Examples of questions that may be asked are in [Appendix D](#). Students may prepare a journal entry reflecting on the information and experience gained from the entrepreneur's visit. Students may be asked to focus on comparing their personal profile of entrepreneurial characteristics to those of the guest. Task attitude and cooperation in completing the journal writing may be recorded.

Students may make the arrangements for entrepreneurs to visit the classroom. They could also be involved in introducing the guest, interviewing, and preparing the thank you letter. The [checklist for preparing and conducting an interview](#) (see appendix) may be adapted for assessment of this activity.

### **Resources/Teacher Notes**

Assist students in developing "teamwork" skills. This may be facilitated with the use of a variety of interactive instructional strategies and ice-breaker activities throughout the course.

Remind students that entrepreneurial skills will be developed throughout the course and can continue to be developed into the future. A variety of short creative-thinking exercises may be used in each class to encourage innovativeness.

If students have access to computer hardware and software, they may be encouraged to use their information processing skills to facilitate their research, organization, and presentation of material for this course, as applicable.

Resource materials on entrepreneurs/ entrepreneurship may be found in newspapers, journals, television programs, organizations such as the Chambers of Commerce, Economic Development Offices, Band Offices, local libraries and possibly among the student body, students' parents/relatives, or the school staff.

**Note: Throughout the course, select a variety of female/male entrepreneurial examples from groups including female/male, Latino/ non-Latino, the physically challenged, and other visible minorities. The examples should also include a variety of interest areas, including the profit and not-for-profit ventures.**

The guidance department in the school may be able to assist in discussing personal skills and characteristics, and methods to overcome undesirable characteristics.

## UNIT II Section 2

### **Instructional Notes**

Personal skills that a student may possess include the ability to:

- research (find relevant information);
- evaluate and assess situations;
- set goals: What is a goal? (a process or direction you work towards in a short period of time, a stepping stone); and,
- communicate effectively.

Planning/organizational skills that a student may possess include:

- decision-making skills;
- ability to recognize trends such as technological trends, and governmental action;
- leadership skills;
- ability to negotiate; and,
- strong ethics: high standards and honorable dealings based on morals, integrity, honesty, values, truth, courage.

Some of these entrepreneurial qualities may need to be elicited from the student. For example, if a student participates in team sports, is a volunteer in a community organization, or has a part-time job, which of the entrepreneurial personal qualities can be identified? If physical fitness is valued, the ability to help others such as the young or the aged may be special qualities the student possesses. It is important that students be aware of the talents they possess.

If students feel they wish to develop certain qualities, how may they do so? Here are some suggestions:

- Encourage students to look at their personal lives. Is there a way those around them can help or how could the student help them?
- Is there a way students can develop certain characteristics such as leadership qualities by helping others through volunteering to assist with a project? Encourage students to be doers--not watchers.
- Are the students willing to put the effort into acquiring new skills?
- Encourage students to study and seek out people they admire who possess entrepreneurial skills and whom they may use as role models (mentorship).

## Suggested Instructional Approaches and Assessment Techniques

## Resources/Teacher Notes

Students may be given a list of personal attitudes and attributes from which they would prepare a self-assessment. By individually assessing each item, students may become aware of their personal strengths and personal challenge areas. Awareness of their weaknesses encourages students to build those attributes into future activities.

Students may complete a checklist or rating scale of their personal entrepreneurial skills at the beginning of the course, at selected intervals throughout the course, and again at the end of the course to determine the progress made in achieving entrepreneurial skills.

Students may prepare posters of a concept web illustrating their entrepreneurial support network. This activity can assist students in identifying entrepreneurial people they may use as role models or mentors, and other valuable support resources. Teachers may record anecdotal notes on student motivation and task attitude such as demonstration of enthusiasm and effort in immediately updating the web/support network without prompting. As an ongoing activity, the assessment of the updating of the support network could take place at intervals throughout the course.

Remind students that everyone has strengths and areas to improve. One does not need to be an "expert" to be successful.

Students may be encouraged to prepare daily or weekly journal writings reflecting on their entrepreneurial skills and the skills being developed through activities and interactions they experience. Encourage students to expand their support web from the experiences and research they conduct throughout the course.

Teachers may wish to illustrate their entrepreneurial support web and model/demonstrate possible expansion(s) of the web throughout the course.

# Entrepreneurial Test

You need to think about why you would like to own your own business. What makes you think you will be Successful in business?

Some business development materials start out with a dissertation on the characteristics of the business owner in order to help you decide if you should go into business for yourself. These questions deal with the basic personality of potential entrepreneurs.

- **Are you "entrepreneurial" enough to build a business?**
- **Do you know what the meaning of the word "entrepreneurial"?**
- **Are you a risk taker?**
- **Did you get good grades in school? Did you know many successful entrepreneurs did not?**

You are a cautious person and a good student. Should you forget the whole thing? That's what some entrepreneurial tests would suggest.

However, there are many successful business owners who, as an adolescent, were team players, athletes, school leaders, excellent students, and never seriously questioned the status quo. Often, though, a tendency toward caution is not typical of many successful entrepreneurs. Most entrepreneurs tend to be maverick personalities with risk-taking vision and courage. Many entrepreneurs tend to be just a bit "off beat" and they sometimes need to be in order to creatively grow a successful business.

Obviously there is no set formula for success. However, the following entrepreneurial test may help you in your personal evaluation process. You just need to remember that this is simply a tool. It is fun to take and fun to interpret, but you should keep it in perspective.

For each question, click on the answer that best describes you. You must answer ALL questions for the test to be accurate.

- |   |                           |                             |                          |
|---|---------------------------|-----------------------------|--------------------------|
| <b>I'm persistent. I am persistent.</b>                               | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>When I'm interested in a project, I need less sleep.</b>           | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>When there's something I want, I keep my goal clearly in mind.</b> | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>I examine mistakes and I learn from them.</b>                      | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>I keep New Year's resolutions.</b>                                 | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>I have a strong personal need to succeed.</b>                      | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>I have new and different ideas.</b>                                | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>I am adaptable.</b>  | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>I am curious.</b>  | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>I am intuitive.</b>  | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>If something can't be done, I find a way.</b>                      | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>I see problems as challenges.</b>                                  | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |
| <b>I take chances.</b>  | <input type="radio"/> Yes | <input type="radio"/> Maybe | <input type="radio"/> No |

- I'll gamble on a good idea even if it isn't a sure thing.**  Yes  Maybe  No
- To learn something new, I explore unfamiliar subjects.**  Yes  Maybe  No
- I can recover from emotional setbacks.**  Yes  Maybe  No
- I feel sure of myself.**  Yes  Maybe  No
- I'm a positive person.**  Yes  Maybe  No
- I experiment with new ways to do things.**  Yes  Maybe  No
- I'm willing to undergo sacrifices to gain possible long term rewards.**  Yes  Maybe  No
- I usually do things my own way.**  Yes  Maybe  No
- I tend to rebel against authority.**  Yes  Maybe  No
- I often enjoy being alone.**  Yes  Maybe  No
- I like to be in control.**  Yes  Maybe  No
- I have a reputation for being stubborn.**  Yes  Maybe  No

Total my Score!

If you scored between 60 and 75, you can start that business plan. You have the earmarks of an entrepreneur.

If you scored between 48 and 59, you have potential but need to push yourself. You may want to improve your skills in your weaker areas. This can be accomplished by either improving yourself in these areas or by hiring someone with these skills.

If you scored between 37 and 47, you may not want to start a business alone. Look for a business partner who can compliment you in the areas where you are weak.

If you scored below 37, self-employment may not be for you. You will probably be happier and more successful working for someone else. However only you can make that decision.

*(American Women's Economic Development Corporation, Stamford, CT, and Women in New Development, Bemidji, MN, 4/97)*

## **UNIT II Section 3**

**OBJECTIVE:** To give examples of the interpersonal skills desirable in an entrepreneur and to use those skills within the classroom.

### **Instructional Notes**

By now, students should realize that interpersonal skills and the ability to work cooperatively with others (teamwork) are essential to all entrepreneurial activity. A purpose for identifying entrepreneurial skills is to ensure that students can recognize their strengths and areas requiring improvement. Students should be able to plan to develop in their areas of weakness by partnering with another person(s) who has strengths that they are personally lacking but desire to develop. It is important for students to understand that the successful entrepreneur never works alone.

Some interpersonal skills that are important for success include:

- a willingness and ability to talk to others;
- effective listening skills;
- an ability to motivate others;
- an ability to encourage others;
- an ability to negotiate and resolve conflicts; and,
- demonstrating care for others.

Facilitating and encouraging the use of group work and working with differing partners may help build these attributes in students.

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

Students may interview entrepreneurs to find what motivated them to start a business, how they encourage and work with others, how they keep a positive attitude, how they resolve conflicts, and how they negotiate issues within the workplace. Students may wish to interview entrepreneurs who are Hispanic, female, or of a minority group and examine any special challenges that they have faced.

From the interview, students may summarize their findings and prepare a five-minute oral report to the class. Teachers may collect data on the content presented and students' ability to organize and synthesize information for the presentation.

### **Resources/Teacher Notes**

Short five- or ten-minute activities such as icebreakers could be used on an ongoing basis to encourage and build teamwork skills. Check with other teachers to see if they have successfully used activities to promote teamwork and cooperative skills in their classroom that may be adapted for use in Entrepreneurship. All students may not go on to be entrepreneurs. It is important to stress that interpersonal skills are life skills.

## **Communication Tips for Entrepreneurial Leaders**

When starting your own company, it is important to have open and clear communication links with all other parties involved. Here are a few tips to keep in mind when starting your venture:

- **Watch your language** – Use metaphors to offer something your audience can relate to, a common thought or feeling. Many leaders rely on battle metaphors or violent, divisive language such as, “Let’s conduct guerrilla warfare,” or “obliterate the competition.” These metaphors reinforce win-lose, self-interested behavior rather than collaboration. Opt for clear, positive language and straightforward sincerity to foster shared understanding and earn the support of your group.
- **Follow Through** – Failure to follow through on rhetoric accounts for much of the cynicism and weariness in today’s workforce. If you make a promise, follow through with action, even if the action ends up being an explanation of why the promise can’t be enacted.
- **Deal with uncertainty** – Don’t be afraid to talk about failure, mid-course adjustments, or “bugs” that the organization must work through. Create the expectation that these will be a normal – and expected – part of organizational life. Throughout the transition, clearly communicate the context of what it means and why decisions were made (goals, reasons, participants, estimated effects, etc.).
- **Be an active listener** – Good listening is an art too few people have mastered. Concentrate on the speaker’s message and resist distractions. Keep an open mind to others’ ideas. Indicate you understand what the speaker said by reframing key points: “Let me be sure I understand correctly. You’re saying . . .”
- **Manage conflict** – Identify and involve major stakeholders. Hold one-to-one or very small group discussions early to vent anger. Ensure everyone knows in advance why meetings are called. Set ground rules that create an “attack-free” safe haven for dialogue. Use non-judgmental, non-inflammatory language like, “I perceive . . .” or “it seems to me . . .” Identify and reiterate common ground or common goals; focus on areas of agreement. Don’t force resolution; it’s okay to agree to disagree.

- **Respond, don't "re-act"** - We often "re-act" to others based on something that's happened to us before. Responding mindfully rather than re-acting emotionally requires self-knowledge and discipline, but it allows us to be more effective in our communication. As a leader, you're a role model - you set the tone for what's appropriate in the organization. Reflect on what sets you off and identify a "keep calm" strategy for when they occur.
- **Give feedback** - Many of us soften feedback - at the expense of clarity - to avoid confrontation. Provide specific examples that illustrate your critique. For example, instead of, "your attitude is bad" or "that just didn't work," say, "when you miss deadlines, then cross your arms and look away when I talk to you, it gives me the impression you don't care about the quality of your work. Can you help me understand this differently?" Don't forget positive feedback; studies show that a high percentage of employees rarely receive positive feedback from their manager.
- **Invite participation** - Hold meetings that include employees from different areas, and encourage everyone to contribute. Ask employees for their ideas on doing things more effectively. Have a "graffiti wall" where employees and leaders can exchange concerns and ideas. This will provide the group with different perspectives of the issues discussed, and help ensure the top-down/bottom-up information flow.
- **Keep your team up-to-date** - Let employees know how their efforts compare to their performance goals, and how they are supporting the total picture. Be honest; communicate bad news as well as good news. More often than not, this will keep employees motivated to keep up the good work.
- **Connect personally with employees** - Since some employees may not have frequent contact with you, create opportunities to do so. Sincere face-to-face interaction is key, and gives more weight to telephone, e-mail or print communications between meetings.
- **Take advantage of communication resources** - Studies show that the most successful entrepreneurs and leaders know their limitations and seek outside counsel and resources.

## UNIT II Section 4

**OBJECTIVE:** To select and illustrate critical and creative thinking skills needed to solve problems and set goals.

## Instructional Notes

What are critical and creative thinking skills? Some of these skills may be identified as being:

- ability to think creatively;
- ability to solve problems;
- confidence to make a decision and act upon it;
- ability to set goals, develop a plan to achieve them, and carry out the plan; and,
- ability to identify opportunities and generate ideas suitable to the opportunities (the basis for entrepreneurship).

In order to think creatively, students must be offered situations in which they can move out of traditional thinking patterns. Students can be made aware of "blindness" or "tunnel vision" which may inhibit critical and creative thinking. Techniques to assist in developing creative thinking processes are offered by authors Roger von Oech in *A Kick in the Seat of the Pants* and Edward de Bono in *Six Thinking Hats*. (See Appendix)

Students at this point in their educational career may have been introduced to the decision-making process many times. However, a review of a decision-making cycle may be necessary. The following is an example of a decision-making process:

1. Identify the problem;
2. List many solutions/alternatives;
3. Find the strengths and weaknesses of each alternative;
4. Choose the best alternative, based on a reasonable rationale; and,
5. After a reasonable amount of time, evaluate or reflect upon the decision to be sure it is the best one.

It is recommended that the decision-making and problem-solving processes be reviewed with students with practice given in developing this skill. It is suggested that students be involved in various problem-solving situations, stressing the process for solving a problem.

**Innovation, like creativity, requires discipline and is based on a discrete set of skills; consequently it can be learned. It is not a personality or cultural trait.**

Innovation is a desirable entrepreneurial trait and is directly related to change. Entrepreneurs are innovative. Innovation is not limited to persons within large or small organizations. It is not culturally bound and does not reside within any particular environment. As individuals gather experience, education, and maturity, the right factors merge so that an individual may become more innovative. Students should be reminded that those who have an open mind and take the time to learn the skills required to be innovative, may apply innovation on a regular basis.

Students may assess their ability to handle change. They may be asked:

- what change have I experienced in the last few months/years?
- what have I learned from change?
- has change improved my ability to innovate? lead?
- can I find innovative ways to affect the outcome of change?

Keys to helping students with their ability to change may include suggestions such as:

- don't fight change;
- you don't have to like change;
- be willing to let go of the past;
- have a sense of humor;
- expect to succeed; and,
- be flexible and adaptable.

Goal setting is an entrepreneurial skill that is learnable and is essential in becoming an entrepreneur. It is a direction toward which the student may work. It should be achievable. At this point in the course, goals set should be fairly short term. The students may write down goals for the week, month or even the school semester or year. Dates or times should be assigned to each goal. The goals may be financial, family, social, entrepreneurial, or organizational. Goals may be ranked according to their urgency and ease of achievement. Students may decide if those ranked of lowest priority may be dropped for the short period of time. Are the students committed to those goals? Within a short period of time, students should achieve success in reaching some or all of their goals.

Encourage students to speak, interact, or read about a variety of people who have achieved a special goal and to share this information throughout the course. This sharing can be motivational and set a positive atmosphere for planning and meeting one's personal goals.

## Critical and Creative Thinking

The **goal** of incorporating **critical and creative thinking processes** into leadership curricula is to develop individuals who value knowledge, learning and the creative process, who can and will think for themselves, yet recognize the limits of individual reflection and the need to contribute to and build upon mutual understandings of social situations.

**Critical and creative thinking** can be described as qualities of good thinking processes and as types of thinking. **Creative thinking** is generally considered to be involved with the creation or generation of ideas, processes, experiences or objects; **critical thinking** is concerned with their evaluation.

Critical and creative thinking begins when a person is expected to confront in their own thinking, the **reasons** for treating other people with respect and the **ways** in which one can do so.

Quality of thought also improves through direct encounter with reality – with the concrete and with the natural materials which can be provided in a learning atmosphere. An important aspect of the teacher's role in providing students with concrete materials and real life experiences is to ask critical questions which foster student reflection about these materials and their experiences.

### Types of Critical Questions:

1. Questions of clarification:

*Examples* – Could you give me an example?  
- Is your basic point \_\_\_ or \_\_\_ ?

2. Questions that probe assumptions:

*Examples* – You seem to be assuming \_\_\_  
- Is this always the case?

3. Questions that probe reasons and evidence:

*Examples* – How could we go about finding out whether that is true?

- Is there reason to doubt that evidence?

4. Questions about viewpoints or perspectives:

*Examples* – How would other groups or types of people respond? Why? What would influence them?

- How would people disagree with this viewpoint argue their case?

5. Questions that probe implications and consequences:

*Examples* – What effect would that have?

- If this and this are the case, then what else must also be true?

6. Questions about the questions:

*Examples* – To answer this question, what other questions would we have to answer first?

- Is this the same issue as \_\_\_\_?

### Suggested Instructional Approaches and Assessment Techniques

Awareness and experience with the [six thinking hats of de Bono](#) is essential to seeing things in different ways. Students may role play all or some of the roles portrayed by the six colors of de Bono's thinking hats. In order to promote creative thinking, teachers should not assess the "answers" given as this would stifle the creative process. As students use the process, teachers may collect assessment information on task attitude and cooperation in completing activities.

Students may use focused imagery to imagine themselves in a problem situation that would require them to be innovative in determining a suitable solution. For example, the students may examine a problem within the school such as limited resources to support the school's athletic programs; or they may imagine a community concern such as the problem of limited individual capital on a Reserve. By brainstorming students may list a variety of solutions to the problem. In pairs or small groups, students may share their ideas, discussing similarities and differences. A reflective discussion may summarize the activity, reflecting on the creative process and the innovativeness that may be stimulated from the process. From the discussion, facilitators may use an observation checklist to record data on students' ability to organize information in contributing to the discussion and students' interest in the activity illustrated by asking questions to extend their knowledge.

Concept webbing: In groups of three, students may be given a problem from which they may brainstorm related concepts (creative solutions). The brainstormed concepts could be written onto chart paper by the recorder for the group and then "mapped/webbed" to show relationships. In keeping

### Resources/Teacher Notes

Techniques for problem-solving as described by Roger von Oech and Edward de Bono need to be utilized at this stage.

Awareness and experience with the [six functions of the thinking hats](#) is essential for students to see things and viewing situations in different ways. Edward de Bono's **green hat thinking** can be emphasized here.

To encourage creative ideas, reinforce throughout the course that "more than one right answer" is acceptable and often desired.

**Stress that no "put downs" of answers**

with de Bono's green hat "creative" thinking, each person may wear a green hat while engaged in the activity. After brainstorming, the second member of the group may post the chart on the wall while the third member may report the findings on the chart to the rest of the class. Cooperative learning skills such as cooperation, freely offering suggestions, showing respect for the suggestions of others, and taking turns, may be assessed using a checklist or rating scale. Self- and peer-assessment of these and other cooperative learning skills may also be considered.

In *A Kick in the Seat of the Pants*, Roger von Oech offers the students four roles of creative performance. Students should have experience with the four roles: explorer, artist, judge, and warrior. Using a think-pair-share or group investigation, students may work through some short introductory exercises that will allow the student to experience each role.

To expand the students' view of the world around them, students may research the community to determine concerns. Students may examine newspaper articles that outline people's concerns, read the personal columns to determine peoples' concerns, or interview/visit community centers/local businesses/a hospital and listen to the concerns. Students may summarize the concerns in a journal writing, brainstorming innovative ideas to address the concerns heard. The journal writings and brainstormed ideas **should not** be assessed; however, teachers may record information on student attitude and process skills demonstrated in completing the writing.

Students may prepare a journal writing based on questions dealing with their own ability to handle change (five to ten minutes). In pairs or small groups of three to five, students may discuss some of the thoughts they wrote (15 minutes). Each group may be given two minutes to decide on two points they would like to share from their small group discussion to the large group. Large group sharing of points (without

are acceptable as one answer can lead to other "creative" responses ("piggy-backing").

The problem-solving technique is crucial for development in further units.

Students should be quite skilled in problem solving at this point.

Techniques described by Roger von Oech and Edward de Bono may be used to develop problem-solving abilities.

The facilitator may assist in selecting relevant human-interest concerns.

If desired, this activity could be expanded to look at provincial or global concerns/problems.

Facilitators may wish to use a variety of short activities to stimulate creative thinking

discussion, 5 minutes; with discussion, 15 minutes.)

After the large group discussion, students may reflect upon their discussions and think about their short-term goals in preparation for putting them in writing. **Allow several days for the reflection.** In their journals, students may take five minutes to write their personal, short-term, achievable goals including their initial plans for achieving them. These personal goals are for students' reference only and are not assessed and do not need to be shared.

A log book or record may be kept by students so that they are aware of and are accountable for their goals. The log book may serve as a student self-assessment tool to measure the extent that student goals are accomplished by the target dates. The log could be included in the student's portfolio and assessed for student attitude in setting and accomplishing goals.

throughout the course.

This activity promotes sharing ideas and obtaining feedback. The right to share or not to share thoughts in the journal writing should be respected.

Students may wish to compose, input and update their goals using a word processor.

The log could be stored and updated on the computer.

## **Problem-Solving Skills**<sup>1</sup>

An important skill for Entrepreneurs to learn is that of effectively and efficiently solving problems.

### **Non-reasoning and Reasoning approaches to problem solving:**

- A non-reasoning approach is characterized by
  - Avoiding or ignoring problems
  - Acting on impulse
  - Blindly accepting a solution
  - Making a choice based on habit or tradition
  - Choosing a solution because it is what everyone else is doing
- A reasoning approach is characterized by
  - Giving careful thought to the problem
  - Analyzing all the alternative solutions
  - Using accurate, relevant, and reliable information as a basis for analysis
  - Searching for solutions that promote the well-being of self and others
  - Justifying choices by predicting positive long-term consequences

### **Characteristics of different types of problems**

#### Technical Problems:

- Involve “how-to” questions: How does this work? How do we operate, store, maintain, improve it? How do we get from here to there?
- May involve emergency action or crisis
- Usually involve objective measurements and quantifiable results

#### Interpersonal Problems:

- Usually involve communication (or lack of it)
- May have no right or wrong answers
- Are best solved at the lowest level possible
- Can often be solved through compromise

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<sup>1</sup> Adapted from Career Pathways: Teacher’s Guide. Commonwealth of Virginia, Department of Education. Richmond, VA. 1998.

### Ethical Problems:

- Usually reflect a conflict between what is and what a person thinks should be
- May arise when a person is in a position of trust
- May have difficult consequences
- Involve personal values

### **Problem solving processes**

The following steps comprise a problem-solving method:

- Recognize the problem
  - analyze the situation to determine the real problem
  - list factors that will influence the solution
  - set one or more goals for the outcome (what do you want to happen as a result of solving this problem?)
- Evaluate information needed to solve the problem
  - list factual information about this problem
  - evaluate factual information for adequacy and reliability
- Generate ideas for a solution to the problem
  - list as many ideas as possible
  - examine each idea for workability
- Analyze choices and consequences
  - list alternative solutions
- Select the best choice based on values involved, desired outcomes, and positive consequences.
- Outline and implement a plan of action.
  - determine resources and assistance needed to carry out the plan
  - list barriers to implementation and decide how to deal with them
  - carry out the plan

## UNIT II Section 5

**OBJECTIVE:** To summarize and evaluate the practical skills each person possesses that may be useful in entrepreneurial ventures.

### Instructional Notes

Practical skills are the answer to "what am I good at?" These skills may have been identified in **the self-assessment objective** and may be identified now as practical skills. Some skills may include:

- skills and knowledge acquired from being involved with activities such as teams, clubs, volunteer organizations;
- language/communication skills;
- technical/mechanical/manual dexterity skills;
- ability to work independently and follow instructions;
- knowledge of specific tools and operations: computer, ability to work with objects, how machines and mechanisms work;
- intellectual aptitude;
- physical talents such as strength, endurance, motor coordination;
- numerical skills such as mathematic computations, record keeping, or accounting skills;
- workplace skills acquired through part-time jobs and volunteer organizations;
- musical or artistic skills acquired at school or in the home;
- ability to deal with animals;
- hobbies and special interests; and,
- people skills such as understanding cross-cultural communication.

Practical skills that students possess at this time may be identified. Students may assess their practical skills in relation to perceived success with entrepreneurial activity or the student may see the need to develop these skills further to achieve their entrepreneurial goals.

### Suggested Instructional Approaches and Assessment Techniques

A guest from the community may be invited to the classroom to describe the skills needed to achieve success. A conference with the guest prior to the classroom visit would help to clarify those skills. Students may generate questions for the guest with the guidance of the teacher. Written answers to the generated questions may be assessed for content.

Students may interview an entrepreneur and report to the class on the skills the entrepreneur felt were important for success. The self-assessment tool for preparing and conducting an interview may be adapted for use.

Videocassette tape profiles of successful or unsuccessful entrepreneurs may be used as case studies (see appendix). Students may view and identify the entrepreneurial skills that related to success or failure in the profiles. Students need to understand that there is learning to be achieved with failures or successes. A viewing guide may be distributed as a written assignment and assessed for knowledge and student process skills used in organizing information and completing the task.

The identified practical skills may be summarized as criteria on a rating scale. Students may wish to add other practical skills at a later date. Students may rate their current status in the listed skills and rate them again periodically throughout the course. The initial assessment will be helpful when students begin to set their goals. As these rating scales are completed over the time of the course, they may be placed into the student's portfolio. This self-assessment information provides valuable feedback and information for the student and the teacher on student growth in practical

### Resources/Teacher Notes

See [Appendix D](#) for possible questions that may be asked. Remind students that entrepreneurial skills can be learned and developed throughout the course.

The AYLDP Director may have information on interest inventories or other material that may be a useful activity for students in "looking at who I am" and "what I am good at".

skills.

## **UNIT II Section 6**

**Objective:** To compare and contrast the personal and practical skills of each student on an individual basis to produce a realistic profile of strengths.

### **Instructional Notes**

The purpose of this objective is to be a synthesis exercise for the student at the end of this unit.

Students may integrate their personal, interpersonal, critical and creative thinking, and practical skills together. They may ask the following questions:

"How can these work together?"

"What is realistic for me?"

"What is my lifestyle preference?"

At this point, students should be aware of their personal strengths and challenge areas. They should be aware of the entrepreneurial characteristics they may further develop and those that may depend on others. For example, if a student feels particularly confident in working with other people but has no confidence in handling financial matters or desire to do so, help the student identify the type of partner(s) that will suit the student's situation.

Students may set goals for planned changes they wish to make during this course of study or in their future. Students should be aware of where they are now, what characteristics they currently possess, and how they plan to change. Do they like to take risks? What risk do they see as part of their future?

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

Students may submit the report started earlier on the "entrepreneurial ego" that includes information assembled from the data collected for Unit II, Section I. The report should include the student's explanation and evaluation of how personal, interpersonal, critical and creative thinking, and practical skills are related to creating a successful venture, and how they apply personally. Facilitators may assess the report for content, application, attitude, and technical skills. An instrument may be adapted from the criteria given on [the report assessment checklist](#) and the [process skills checklist](#) (see appendix).

### **Resources/Teacher Notes**

Students may be given opportunities to prepare "reports" in a mode that they select. Although a written presentation is identified here, students may choose to prepare an oral presentation, use multi-media, design hypercard stacks, use presentation software, moderate a panel discussion including community resources, design a cartoon, or report through other activities.

If students have access to computer hardware and software, they may be encouraged to use their information processing skills to facilitate their research, organization, and presentation of

material for this  
course.

## **UNIT II Section 7**

**OBJECTIVE:** To outline and compose a goal or set of goals to be accomplished within the near future drawing from the personal and practical skills identified earlier.

### **Instructional Notes**

Being successful in entrepreneurial ventures relates to talents, abilities, skills, and knowing what is wanted. Goal setting is the process of defining what is wanted and planning what to do to meet the goal. The planning process involves the setting of "measurable objectives" as a plan of action to attain the goal set.

Students may prepare a list of objectives and goals they wish to accomplish for the day, the week, the month, the summer/Christmas/Easter vacation, or the year. Students may also reflect on the goals they determined in the previous learning objective. Students may rank each goal as to whether is it easily attainable or will require effort and may require setting a target date for each goal. After examination of the goals they have determined, students may decide that the goals requiring a great deal of effort to achieve will become long-term goals.

Achieving goals can be difficult. When an obstacle is encountered, it may be perceived as a challenge to be overcome. "Challenges" to achieving goals that may be discussed include:

- an unattainable/unrealistic goal set;
- time constraints;
- financial constraints;
- stress;
- resources not readily available; and,
- lack of creativity or motivation.

**Students must understand that failing to achieve a goal does not make them failures. The fault may lie in the goal itself, requiring adjustments to be made.**

### Suggested Instructional Approaches and Assessment Techniques

Sample activities for writing and setting goals and objectives are in [Appendix G](#). Students may place these completed assignments into their portfolio and reflect upon them throughout the course, aiming to achieve the goals that were set. Anecdotal notes may be recorded on student motivation to achieve the goal.

Small-group goal setting and planning can be stressed if students are working cooperatively on a project for class. Opportunities should also be allowed for students to set goals and objectives individually. To simulate a personal goal-setting situation, teachers may use a hypothetical case study, perhaps outlining a situation involving a common personal goal to many of the students in the classroom (organizing time for extra curricular activities, homework, family functions, studying for exams, or organizing for graduation). Also, students may use focused imagery to imagine themselves in the situation, planning to achieve a goal. Anecdotal records may be kept on students' attitude toward working to achieve objectives and goals. Data may also be collected on the process that students followed in achieving goals.

Interviewing an Entrepreneur: An activity may involve students setting short-term goals for interviewing an entrepreneur. For example, students would set goals for developing their questions, having them assessed by the teacher, collecting feedback, making revisions, arranging an appointment, conducting the interview and completing a follow-up activity. A log may be kept to organize this activity and may be used for assessment of task attitude and one's ability to organize and regulate time to meet the goal.

### Resources/Teacher Notes

**Note:** Goal setting and planning should be reinforced during the venture planning process in Units V and VI .

Offering students opportunities to interact with individuals in the community or to read case profiles (see appendix for profiles) about individuals that have achieved a special goal in life could be motivational and provide a positive role model.

This "goal setting" activity may be used throughout the course as students invite and interact with entrepreneurs from the community.



## **WHY WRITE A BUSINESS PLAN?**

A business plan is a road map for the development of your company. It includes a written description of your business and corresponding financial data. The goals of a business plan are:

1. To assist you to obtain money from lenders (Get a loan.) or investors (Sell some ownership in your company to someone else.).
2. To develop and implement your ideas into actual business practices, products or services.
3. To identify the strengths and weaknesses of your company and its competitors, and to provide a strategy to further your company's growth.
4. To develop guidelines for the operation of your company.

## **BUSINESS PLAN OUTLINE**

1. **COVER:** Your business plan should be typed and bound for presentation. The name, address, and phone number of your business should be on the cover. Also show the date of issue of the plan and type "Copy Number \_\_\_\_\_" so you can number and control copies of the document.
2. **TABLE OF CONTENTS:** One page showing the topics and page references.
3. **STATEMENT OF FUNDING PROCEEDS:** A brief review of the use to be made of the funding sought, followed by a detailed listing of each expenditure.
4. **EXECUTIVE SUMMARY:** Do this last! Summarize key facts and figures from sections 5 through 13. It should be a maximum of three pages.
  - A. What is the purpose of this plan?
    - an operating guide
    - a loan request
    - a prospectus for investors
  - B. Who requests the funds?
  - C. For what purpose are the funds being requested? What are the expected benefits to your company?
  - D. How will the funds be repaid?
  - E. How much are you investing in the venture?
  - F. What collateral will be used to secure a loan (ie. inventory, equipment, building, etc.)?
  - G. Summarize financial projections (Yearly Gross Profits, Net Profits, Break-Even, Return On Investment and Cash Flows) Indicate major financial milestones (Note when cash flow turns positive, when break even is achieved, etc.).
5. **DESCRIPTION OF THE BUSINESS:**
  - A. What is the status of the venture: start-up, expansion of a going concern, purchase of an existing business?
  - B. Describe your product(s)/service(s).
  - C. What is your mission statement?
  - D. Who are the principals and what are their proportions of ownership?

- E. What is the legal structure of your business? Is it a sole proprietorship, partnership, limited liability company, S corporation, C corporation? Include copies of supporting document(s) in the appendix.
- F. If you will be doing contract work, what are the terms? Reference any firm contracts and include copies as supporting documents in the appendix.
- G. Do you have letters of intent from prospective suppliers? What support will they give your company? Include copies as supporting documents in the appendix. For an existing business, address the following questions:
  - H. What is the history of the business?
  - I. How will your management make the business more profitable? What changes do you plan to make in the business?
  - J. If you want to buy an existing business, what is the purchase price? Identify the selling price of: building, improvements, equipment, inventory, and goodwill.

Note: If yours is a seasonal business, make sure the seasonality is reflected in your financial projections with appropriate footnotes.

## 6. **THE MARKET:**

- A. What is the geographical area that you intend to serve?
- B. How many potential customers are in that area? Document the sources of your estimates.
- C. What percent of the market do you have now? How much do you think you will have in the future? How quickly will you reach that percentage? Document the sources of your estimates.
- D. Describe your target customer (age, sex, occupation, lifestyle, income, geography, reading and viewing habits likes, dislikes, etc.).
- E. Who are your competitors? What are their strengths and weaknesses?
- F. Identify competitive or substitute products/services.
- G. Is your business seasonal? Explain.
- H. What is the trend in the business and industry? (Are revenues growing, stable, or in decline?) Include copies of supporting documents in the appendix.

## 7. **MARKETING STRATEGY**

- A. What makes your product/service unique?
- B. What features or services will you offer that will justify your price compared to competitors prices?
- C. How will you attract and keep your segment of this market? Explain all that apply.
  - customer service
  - product quality
  - price
  - location
  - promotion
  - persuasion--personal selling
  - satisfaction guarantee/product warranty
  - distribution
  - extend credit (If yes, what is your credit policy and payment terms?)
  - accept credit cards
  - accept checks

**8. BUSINESS LOCATION:**

- A. What is your business address and why did you choose that location?
- B. Will the building be rented, leased, or owned?
- C. What are the terms of the contract? Include copies of supporting documents in the appendix.
- D. What renovations will be needed and at what cost? How will they impact your lease?
- E. Describe the neighborhood (ie: stable, changing, improving, deteriorating). What is the traffic count, parking, accessibility for customers/suppliers?
- F. What other kinds of businesses are in the neighborhood?
- G. How much can your business expand before you will be forced to move or add on to the present building?
- H. Will your building pass an ADA (Americans with Disabilities Act) inspection? If not, what modifications must be done, and at what cost?

**9. LICENSES/PERMITS/REGISTRATIONS:**

- A. What licenses or permits are you required to obtain? How long does it take to get the needed licenses/permits?
- B. Do you have a registered trademark for the name of your company to protect it against being used by another company? Include copies of supporting documents in the appendix.
- C. Is your business affected by zoning regulations?

**10. INSURANCE/BONDING/EMPLOYEE BENEFITS:**

- A. Describe the insurance coverage (ie. liability, property, workers compensation, etc.) you have to protect both the company and yourself.
- B. Will you/your employees need to be bonded?
- C. Will your company provide employee benefits for you and/or your employees? Explain, and include copies of supporting documents in the appendix.

**11. MANAGEMENT:** This is the most important section of your Business Plan. The best source for this section is a resume that explains the business managers background in detail.

- A. Who will have day-to-day responsibility to manage the business?
- B. What is your business background?
- C. Do you have business management experience?
- D. What formal and informal training have you had that contributes to your managerial abilities? E. Are you physically suited to the job?

**12. PERSONNEL:**

- A. Describe your organizational structure and include a brief description of who does what. Include an organizational chart if necessary.
- B. List proposed salaries and wages. Are they consistent with industry norms?
- C. What management assistance resources are available to you (eg: accountant, lawyer, outside consultant, SBA, SBDC, SCORE)? List by name.
- D. What are your anticipated personnel needs for the next three years?
- E. What skills must your employees have? Will you train the people, or will you hire an outside trainer? Will you hire only already skilled workers?

- F. Can you use part-time help to meet changing sales volume?
- G. If you will be using independent contractors, have you discussed this with the Kansas Department of Revenue and/or the IRS to make sure they are not considered employees?

**13. FINANCIAL DATA:**

- A. Projected income statement
  - detail by month, first year
  - yearly summaries for second and third years
  - notes of explanation and assumptions
- B. Cash flow projections
  - detail by month, first year
  - yearly summaries for second and third years
  - notes of explanation and assumptions
- C. Projected balance sheet
  - notes of explanation and assumptions
  - key financial ratios (quick ratio, inventory turns, etc.)
- D. Break-even analysis (The level of sales where your gross profit equals your operational costs.)

For an existing business, you should supply:

- A. Current balance sheet and income statement (less than 60 days old).
- B. Year end Profit & Loss statements for the past three years
- C. Balance Sheets and/or tax returns for past three years
- D. A Capital Equipment list, complete with purchase price and depreciated values
- E. A detailed Inventory listing with unit prices included
- F. Aged accounts receivable and accounts payable

**14. APPENDIX OF SUPPORTING DOCUMENTS:**

- A. Personal resumes for all principals, partners, officers.
- B. Personal financial statements for all principals, partners, and anyone owning 15% or more of the company.
- C. Letters of intent from prospective suppliers or customers.
- D. Copies of all leases, contracts, or agreements, deeds, certificates, or other legal documents.
- E. Any visuals of your product that may help (ie. photos of your product, exterior/interior of store or plant).

CHECKLIST OF SECTIONS COMPLETED COVER, TABLE OF CONTENTS, STATEMENT OF FUNDING PROCEEDS, EXECUTIVE SUMMARY, DESCRIPTION OF THE BUSINESS, THE MARKET , MARKETING STRATEGY , BUSINESS LOCATION , LICENSES/PERMITS/REGISTRATIONS , INSUR./BONDING/EMPLOYEE BENEFITS , MANAGEMENT , PERSONNEL , FINANCIAL DATA ,

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