

UNIT VI: MARKET RESEARCH



*You can use all the quantitative data you can get,
but you still have to distrust it and use your own
intelligence and judgement.*

-Alvin Toffler

UNIT VI Section 1

OBJECTIVE: To outline and explain the reasons why research and the examination of resources is necessary to the success of an entrepreneurial venture.

Instructional Notes

Why is research and the examination of resources valuable? Students may review the reasons why many new businesses fail. For example, offering products or services that are difficult to market, the occurrence of financial problems, or too much competition may be reasons. To avoid some of those problems, students need to understand that research and investigation is desirable.

The major purpose of research is to decide whether to proceed with the venture plan and, if so, to assist in preparing the venture plan. It is strongly recommended that students become aware of the numerous types of resources available and how to access them and use them. Although students may not become specialists in any particular area of research, they should become aware of how an entrepreneur may access and use a variety of resources.

By the end of this unit, students should be aware of and familiar with the local research resources that are available. Some resources may include the library, Chamber of Commerce, Economic Development office, banks, and other financial institutions, and local business persons. Students should also be aware of the resources that may be available from government agencies. Help students to gain confidence and skills in locating and accessing suitable resources. Lack of knowledge is often a reason for venture failure. **Research and the examination of resources will make students aware of how they can gain knowledge or access individuals/agencies that may help them gain knowledge in preparing a venture.** The internet is a good place to start this research.

If the entrepreneurial venture is an invention, different steps and information may be required. What is a patent? What is a trademark? What is a copyright? What licensing and royalty rights are necessary? It is recommended that each of these concepts be defined and described. The agencies an inventor may need to deal with may also be identified.

Once research is completed, enough information should have been gathered to complete the venture plan. For the most part, entrepreneurial ventures are not inventions and the steps identified in the following learning objectives may be explored.

Suggested Instructional Approaches and Assessment Techniques

Advance Organizer: Refer to the entrepreneurial cycle outlined in [Unit 1](#). Research into entrepreneurial opportunities and their corresponding ideas is essential prior to completing a venture plan (step 6). This step 5 will always follow steps 2 and 3 of the cycle, but may not always necessarily be the fifth step. For example, one may be researching an opportunity (step 5) while building entrepreneurial skills (step 1) at the same time.

Students may be grouped according to a personal area of interest. Some examples of areas/industries that students may be interested in are: education, food, entertainment, beauty, fashion, health, sports, agricultural, or service. In their groups, students may list the resources that are available to provide information about their topic. The list that is prepared may include resources identified through brainstorming and independent research. Students should be encouraged to seek print and non-print resource materials. The information gathered on the resources available should be shared with the entire class, providing some preparatory work for students who may wish to develop a venture plan in one of the areas that was discussed. This activity could be expanded to include a reflective discussion regarding how the identified resources can provide valuable assistance in venture planning.

To conduct research, there must be a high level of activity on the part of the teacher and the learner directed toward the topic to be researched, the available resources, and the learning environment. Students may conduct their research in an area of interest and follow certain steps:

- develop questions (relevant questions, how can they be answered);
- anticipate controversies or dilemmas;
- look at the source of information analytically;
- determine what pre-conceptions or facts the students

Resources/Teacher Notes

Facilitators are encouraged to update continually the preliminary listing of places that may have entrepreneurial information listed in [Appendix C](#). The AYLDP Coordinator may be able to assist with this endeavor.

The facilitator may encourage, guide, and assist students to locate many resources including print and non-print. The AYLDP Coordinator may also be a valuable source of information as well as other staff members. Students and teachers may reflect/expand their support network. Students may consider government agencies including regulatory systems

- already know;
- develop, clarify and test a hypothesis; and,
- draw inferences and generate possible solutions.

Research may be guided by the teacher until students become more familiar with the process. In guided inquiry, the teacher plays a key role by providing questions to be answered. By answering these questions, students will be able to find information relevant to their venture. In unguided inquiry, students may work in small groups and will form a consensus on the information to be collected. The teacher acts as a facilitator in this process.

such as City Hall and State legislatures as resources.

Students should have had several guided inquiry experiences, prior to unguided inquiry.

UNIT VI Section 2

OBJECTIVE: To identify the purpose and examine the value of marketing research including primary and secondary research.

Instructional Notes

What is marketing research and what is the purpose of marketing research? Research is a search for information. Marketing research is the searching for information within the marketplace. The marketplace for students in secondary school may be in the school, at home, in the community at large, or in a business. An entrepreneurial venture is usually a response to fulfill a need or solve a problem. If that is the case, then research as to what caused the problem or need and how the proposed venture may solve the problem or fulfill the need is necessary.

Marketing research usually provides data about customers, products, services, prices, advertising, and consumer behavior. It is used to refine and adapt services and products. It also gives some idea of what competition exists and what can be done to make the entrepreneurial venture more appealing or desirable than the competitor's service or product.

Research can also be used to clearly define the need or problem. For example, a student may know that something can be done more efficiently but is not quite sure how. Research may be used to determine more specific information about a service or product. For example, velcro may have many uses, but through research the student may determine how many uses. Research may be used to explain the relationship between a particular cause and its effect. For example, ask the question "Why did the higher price cause more sales?"

What is Primary Research?

Primary research is completed with the direct involvement of the participants. It may be referred to as "first-hand" research. Students involved in primary research may observe, experiment, interview, or use questionnaires to obtain desired information. Primary research may also use

telephone surveys, personal interviews, or mail-out surveys. Primary research tries to find out what is happening. Primary research is a considerable amount of work. The interview questions/questionnaire must be designed and tested on a small sample. The data must be collected (the sample group may depend on the type of research and the service/product). The data collected must be analyzed and summarized to satisfy the objectives/goals of the research and to determine its applicability to the entrepreneurial venture.

What is **Secondary Research**?

Secondary Research involves collecting second-hand data. Second-hand data refers to data that may have been collected by another person/agency and may or may not be directly related to the proposed entrepreneurial opportunity and idea(s). The collection of information may follow a procedure. The objectives/goals for collecting the information must be determined, the sources of information must be identified, the data must be collected and analyzed, and the results must be applied to the venture.

Secondary research can take many forms. Trends and predictions may be researched and plotted graphically. The school or community library may be used to obtain data. The local marketplace may be analyzed to determine the information required. Journals, newspapers, the yellow pages in a telephone directory, government publications, trade journals, market information from business, and various data bases may all be utilized in secondary research. Use the Internet to start the secondary research search (see list of Helpful Websites in appendix C).

Libraries/resource centers may provide valuable sources of information.

References and resources may include:

- major professional organizational yearbooks;
- almanacs (lists, charts and tables);
- biographical dictionaries (For example: Who's Who in _____ or the Top 10 _____.);
- encyclopedias for quick information;
- periodical indexes which give the author, title, volume number, page number and date of references of interest in magazines and journals;
- guides to books and government documents;
- guides to book reviews for quick evaluations;
- vertical or picture files; and,
- audiovisual materials.

The teacher and students may determine what resources are available in their community, what resources are accessible from another location and what resources are not readily available to the research project. Use the list of helpful Websites included in appendix C for Internet resources. Is primary research necessary? Will available secondary research suffice? Does the accessibility of resources inhibit the market search to the point where the viability of the venture is jeopardized? These and other questions may be addressed.

It is suggested that students and teachers discuss the value of both primary and secondary research including the balance that could be made between the two types. What are the constraints of research? of the classroom? of the community? of resources?

Suggested Instructional Approaches and Assessment Techniques

Concept formation may be used to teach the three concepts of marketing research, primary research, and secondary research. A data set of five or six examples of each of the concepts could be given to the students to categorize. The students would explain their rationale and label their categories. The teacher would give suggestions of how other possible criteria may be used to categorize, thereby moving students toward clearly identifying and categorizing the data sets into the desired concepts. The activity culminates with students distinguishing between the three concepts through the categorization process. To assess knowledge of the concepts, students may be asked to provide two additional examples for each of the concepts. Teachers may also wish to assess criteria on process skills such as the ability to organize and categorize the information or on attitude such as providing positive contributions ("piggy-backing"). Anecdotal notes or a checklist may be used to record the assessment data.

Students could be actively involved with marketing research for an entrepreneurial venture project. A learning contract outlining timelines for the research may be set up. Students may be assessed on their ability to define the problem and plan the research that is required: gathering information and following a sequence and order for collecting data; meeting the proposed timelines; and answering the questions sought through the research. Criteria to assess the project may be adapted from the sample report assessment checklist and the process skills checklist.

After examining and becoming familiar with resources for research, students may categorize the various sources of research information and compose a written explanation of how the categorizations allows them to tap various sources

Resources/Teacher Notes

Students may work independently or in cooperative groups while categorizing and determining concepts.

Note: Careful monitoring of any primary research that is conducted may be necessary.

Consulting the yellow pages and blue pages of the telephone directory may assist in determining community organizations that may have information about specific topics.

Periodical indexes may be accessible from an on-line database. See the attached list of helpful Websites (appendix C) for further resources

of information for various purposes. Students may also categorize various sources of information as being primary or secondary research. Some sources of information that may be categorized include:

- personal sources (friends, relatives);
- accountants, lawyers and other professionals;
- financial institutions;
- Chambers of Commerce;
- Libraries;
- Consulting firms;
- town/city councils;
- government agencies (federal and state);
- economic development offices; and,
- special interest groups.

The explanations for the categorizations that were determined by the students could be assessed for accuracy (knowledge) and for process skills such as student ability to: give an outline of the steps used to determine the categorization, organize the information into a logical categorization, or describe how each source of information relates to the area of research. Technical skills such as punctuation and sentence structure could also be assessed from the composition.

In conjunction with the above activity, an ongoing project for students may involve them in preparing a notebook or an electronic database file to compile various sources of research information they have found and to determine how they could use it for future reference. Students could include a list of names, addresses, and telephone numbers for each source. Specific research information obtained from the sources may be noted by the students. Examples include: various forms that are available, regulations, legislation, tax and license requirements, grants available--for whom and for what, payroll information, statistics. Assessment information from the project could be recorded on a checklist. Criteria may focus on process skills such as planning and organization, knowledge of the sources of information, and students'

for conducting research.

attitude and motivation to update entries to their project continually.

[3en.html](#)

UNIT VI Section 3

OBJECTIVE: To design and explain a checklist or framework for conducting research.

Instructional Notes

Students may develop a guide to assist them in conducting research or in examining resources. This document would assist students to organize their thoughts and to research in a systematic fashion. After the investigation and development of this guide is completed, the instrument can prompt students in a procedure to follow in researching for venture planning.

Developing the guide (instrument) may involve many things:

- List the objectives. What are the objectives/goals of the research? What do I want to investigate?
- Plan the research strategy.
- Determine the sources with the desired information.
- Collect the desired information. How much information is required?
- Analyze the information with respect to the opportunity and its related idea(s). How does the information apply? Is it relevant?
- Draw conclusions as to the acceptability of the acquired information.
- Decide how to proceed with research/examination of other resources.

If the students prepare a checklist for themselves, it may be adapted for primary marketing research such as interviews or questionnaires, or for secondary research such as library research. Emphasize that the preparation of an organizational instrument assists in planning and visualizing the process to be followed. Proper planning and research is an essential and important part of entrepreneurial success.

Suggested Instructional Approaches and Assessment Techniques

The activity suggested in the instructional notes may be completed individually. Although teamwork is essential for an entrepreneurial venture, the entrepreneur should have or develop individual organizational and procedural skills. This exercise can help to build those skills.

Students may share with a partner or with the entire class how they visualize using this checklist to prepare for a particular entrepreneurial venture. If the class has diverse interests, many applications of the same basic structure should be visible.

A research checklist instrument could be created by the teacher or by the students with teacher assistance. Criteria may be adapted from those listed in the instructional notes of this learning objective. The checklist could serve as student self-assessment in preparation for conducting research.

Students may design a flowchart or a web including questions to ask themselves at each step along the way in organizing and researching. Alternative paths or changes in direction may be necessary with the addition of new information. An example of a flow chart that may be designed could be one on researching in Latino communities. Students may use the developed flowchart or map as a self-assessment tool for guiding their research for their venture plan.

Resources/Teacher Notes

Students may use this experience to assist in organizing a plan.

A web that may be used is shown in [Appendix A](#).

UNIT VI Section 4

OBJECTIVE: To outline and predict the capital, human, and financial resources that may need to be considered in the establishment of an entrepreneurial venture.

Instructional Notes

At this point, if students have not determined an entrepreneurial venture, simulated ventures may be used. From a real or simulated venture, the students may do an analysis in the following three areas:

Capital resources required:

- Capital resources may be goods needed to accomplish the venture: supplies, equipment, vehicles, furniture, and others.
- Will the capital resources depreciate? need to be replaced? need to be accessible? What will be the insurance requirements?

Human resources required:

- Who do you need on your team?
- What qualifications do those team members require?
- What external human resources are needed? (advisors, accountants, bankers, lawyers, consultants, specialists in the field such as language interpreters)

Financial resources required:

- What initial financial resources will be needed?
- What resources are perceived as being necessary to sustain the venture?
- What financial advice is available?
- What advice do you need from a banker? accountant?

Note: The main purpose of this objective is to raise awareness of the resources that may be needed in the actual establishment of a venture. Emphasis again will be on the importance of planning and being prepared to avoid failure and possibly bankruptcy. The processes and information

gathered in this objective will be valuable for preparing the venture plan in the next Unit.

Suggested Instructional Approaches and Assessment Techniques

Students may research and prepare a brief report showing the relationship that the availability/unavailability of resources has to the direction of a venture. The report may be assessed for content and process.

Students preparing an entrepreneurial venture may have used focused imagery to estimate/determine the capital, human, and financial resources that may be required for their venture. Students may share their answers with a partner or in small groups and discuss the requirements suggested. Are there any similarities? Of what value was this activity to their venture plan? Cooperative group skills may be assessed.

Guests from the community such as entrepreneurs or a member of a local financial institution may be invited to the classroom to discuss the capital, financial, and human resources that may be required for various ventures. If students have estimated the resource requirements needed for their ventures (activity above), these plans may be forwarded to the guest for examination and possible discussion in the classroom. Anecdotal notes may be used to record student interest (eye contact, listens attentively) and participation (questions asked on the topic, "piggy-backing") in the classroom presentation.

Students may fill out simulated or real loan applications from financial institutions. (Review of the procedures for completing forms may be necessary or find out what course(s) in your school teach this). Teachers may assess student knowledge and skill in completing the form using a checklist. Criteria may include: Did the student complete the form in an orderly way? Was the correct information provided? Was the form completed without smears, wrinkles or tears? Is the writing legible? Is the form free of spelling errors? numerical errors?

Resources/Teacher Notes

Remind students of grants that could be available to assist.

An Accounting teacher may be able to provide information, assistance, or resources to facilitate this learning objective.

Invite a lawyer to the classroom to discuss bankruptcy reasons, procedures, and results. The presentation can stimulate, in advance, the importance of financial preparation and planning for a venture. Teachers may record anecdotal notes on student interest, behavior, and positive contributions to the presentation. For example, teachers could record a note for students who raised questions or asked for further clarification of a topic.

UNIT VI Section 5

OBJECTIVE: To classify and explain the various forms of business ownership that may have to be considered in the creation of an entrepreneurial venture.

Instructional Notes

The students should review the different types of entrepreneurial ventures from the first Foundational Objective. Ventures may include: profit or non-profit; small, medium, or large; or private-/public-owned/maintained.

From this review, students should combine their knowledge of the different types of ventures with their knowledge of the different forms of business organization to make informed decisions about the form of ownership that best suits their chosen entrepreneurial venture. Each form of business should be analyzed as to:

- advantages and disadvantages;
- ease of creation;
- jurisdiction;
- legal costs;
- longevity of the business form;
- financing necessary;
- taxes and tax exemptions;
- liability (limited versus unlimited); and,
- administration.

The forms of business organization they may examine are:

- sole proprietorship;
- partnership;
- corporation including cooperatives;
- franchise (Is this a form of business organization? Is a person involved in a franchise an entrepreneur by the definition determined in this document or can the person be an intrapreneur?)

Students may consider Latino businesses and their forms of organization. Emphasize that the forms of business ownership are the same for all businesses.

Suggested Instructional Approaches and Assessment Techniques

Concept formation may be used to teach the various forms of business organization. First go over the various forms of Organizational Structure and Ownership detailed in this section, after which a data set of five or six examples of each of the concepts could be given to the students to categorize. The students would explain their rationale and label their categories. The teacher would give suggestions of how other possible criteria may be used to categorize, thereby moving students toward clearly identifying and categorizing the data sets into the desired concepts. The activity culminates in students distinguishing between the various forms of business organization through the categorization process.

To assess knowledge of the concepts, students may be asked to provide two additional examples for each of the concepts. (This could be a homework assignment.) Teachers may also wish to assess criteria on process skills such as the ability to organize and categorize the information or on attitude such as providing positive contributions ("piggy-backing"). Anecdotal notes or a checklist may be used to record the assessment data.

After analyzing the various forms of business organization, the students may be given entrepreneurial case studies to determine which form of business ownership is illustrated. Answers from the case study may be assessed for knowledge of the different forms of business organization.

Students may explain and justify the form of ownership that would suit the venture they are planning. Written notes of

Resources/Teacher Notes

Where do I go for additional information on types of business organization?

- Descriptive information on business ownership
- An Accounting teacher may be able to provide information, assistance, or resources.

the rationale for their conclusion could be prepared to facilitate a brief presentation of their proposal to the class. An anecdotal note recording information on student knowledge of the form of business organization chosen could be recorded. Student motivation to answer questions resulting from the presentation could also be recorded on the note.

A jigsaw with groups of four students may be used to learn knowledge about the different forms of business organization. Each student would learn one form of business organization and share his/her knowledge with the other group members. A quiz may be used to assess knowledge. Assessment information may also be collected on cooperative group learning (see form in appendix).

Organizational Structure¹

There are three basic kinds of business:

- *Producers* make the goods by extracting raw materials, processing raw materials into usable form, or manufacturing finished products from raw materials and processed goods.
- *Distributors* make goods available either at wholesale (selling to producers and retailers) or retail (selling directly to consumers) prices.
- *Service providers* deal in auctions instead of objects, providing assistance to other businesses or consumers.

Ownership Structure of the Company

- A *sole proprietorship* is owned by a single individual. This is the easiest type of business to set up and operate because one owner has complete control, but the owner must assume personal liability for all business debts.
- A *partnership* is a business owned by two or more people. This type of business is fairly simple to set up and operate. Each owner has partial control and contributes resources to the businesses. However, at least one owner must assume unlimited liability for all business debts.
- A *corporation* is a business owned by stockholders and operated according to its charter. It is expensive to set up, and because a number of people are involved, each stockholder has limited control of the business, but liability is also limited to the money invested. Stockholders receive income from the business according to the size of their investment (how many shares bought).
 - A public corporation trades its stock on the open market
 - A private corporation limits ownership of stock to a few people
- A *cooperative* is owned by more than one person or business and acts for the benefit of all members. For example, a grocery co-op may buy food in bulk quantities at low prices and pass the savings on to its members.

¹ Career Pathways: Teacher's Guide. Commonwealth of Virginia, Department of Education. Richmond, VA. 1998.

- A *franchise* is a business that pays a larger business for the right to use its name and sell its products in a certain area. The franchise owns the smaller business and assumes liability for its debts (an example is McDonalds). A *chain* is a centrally operated business with one or more locations.

Management Structure of the Company

- Management consists of four functions:
 - *Planning*: finding the best way to meet company goals
 - *Organizing*: arranging resources to carry out the plans
 - *Directing*: coordinating use of resources
 - *Controlling*: examining results to be sure goals have been met

- The way in which a company carries out these functions defines its management structure.
 - In the past, many company owners or top executives set the goals, and responsibility for meeting them filtered through a number of layers of managers and supervisors until workers were told what to do and where, when, and how to do it. With rare exception, workers had little input into decisions.
 - Many businesses today have modified the top-down style of management. Economic conditions have forced many companies to flatten their organization by eliminating much of the middle layer of management. The result is that workers are now to a greater degree responsible for the four functions of management.
 - Many companies have work teams that set their own goals and decide how to meet them. Others have made individual workers more accountable for results.

Types of Business Ownership

Legal Forms of Business Ownership

What FORM of business will you choose?

1. Sole Proprietorship
2. Partnership
3. Corporation
4. Cooperative

Each of these “forms of ownership” has benefits and drawbacks. You can decide which way of doing business is best for you.

Advantages of Having a Partnership

1. You are not alone.
 - ◆ You can share management problems
 - ◆ Two good people are better than one
 - ◆ There is someone to help plan
 - ◆ There is someone to put in more money, if needed
 - ◆ There is someone to take over if you are sick
 - ◆ There is someone to buy out your share if you want to quit
 - ◆ Loans are generally easier to get because lending agencies are more likely to lend money to a business where two or more people rather than one are behind it
2. Your combined assets give economic strength and power.

The ideal partner:

- a. Has a successful background in business, so he or she can add knowledge and experience to the business.
- b. Knows something about the business you are starting
- c. Has a good credit rating
- d. Gets along with you fairly well
- e. Is a thoughtful, responsible person. You should be able to trust your partner to represent you as well as the business

Structuring your Entrepreneurial Venture

As an Entrepreneur, you can decide how you want to structure your own company. Below are several different methods to consider, along with their advantages and disadvantages.

Horizontal Specialization

Establishes organization structure of specific work units

- Departmentation by function
- Departmentation by division

Departmentation by Function

Company is divided based on job functions and job skills.

- Advantages
 - Efficiency within functions
 - Clear lines of authority
 - Resource centralization
 - Everyone speaks the same language
- Disadvantages
 - Poor coordination across departments
 - Slow response to customer problems

Departmentation by Division

Company is divided into separate divisions. Several different job functions may be present in one division.

- Advantages
 - Better coordination across functions
 - Faster product development
 - Closer to customer
- Disadvantages
 - Poorer economies of scale
 - Product lines can overlap or cross-purposes
 - Less clear lines of authority
- Works best in large organizations with many product lines

Departmentation by Matrix

Mixes functional and divisional structures

- **Advantages:**
 - managers understand both business and technical requirements
- **Disadvantages**
 - expensive
 - conflict across bosses
- Good for technically complex products

New Organizational Designs

- **Virtual Organization**
 - temporary network of people and companies that come together to do a job and then disband
- **Strategic alliances/Joint Ventures**
 - two or more companies come together to partner on a new product or technology

Lessons for Effective Designs of 21st Century

- Organize around process, not function
- Flatten the hierarchy
- Link performance to customer satisfaction
- Make teams the focus of performance
- Make teams and individuals self-managing
- Encourage multi-skilling
- Provide information to lowest levels
- Create a boundaryless organization

Preparing for the 21st Century Workplace - Teams²

Teams vs. Individuals

- ❖ A trend of the modern workplace is a movement from task to project. Instead of individuals concentrating on discrete tasks, they join together as teams to complete projects. Employers have found that a good team works more effectively and achieves better results than do disconnected individuals.
- ❖ The skills and experiences brought together in a team will exceed those of any individual on the team.
- ❖ As teams develop clear objectives and strategies, they establish communication that supports problem solving.
- ❖ Multiple team tasks can be performed at the same time with shared resources, which means a savings of time and money.

The Role of a Good Work Team Leader

- ❖ Helps the group keep its purpose, goals, and approach relevant and meaningful.
- ❖ Helps build commitment and confidence in individuals and in the team as a whole.
- ❖ Helps individual team members build the skills they need to be effective.
- ❖ Interfaces between the team and outsiders.
- ❖ Creates opportunities for the team and team members.
- ❖ Does work like every other team member.

Strategies for Team Building

- ❖ Select team members with complementary skills.
- ❖ Develop a team purpose.
- ❖ Establish specific team goals and objectives.
- ❖ Develop a team working procedure.
- ❖ Help other members to achieve.
- ❖ Trust the team members.
- ❖ Measure individual and team progress.
- ❖ Report on team progress to build and sustain momentum.

² Career Pathways: Teacher's Guide. Commonwealth of Virginia, Department of Education. Richmond, VA. 1998.

- ❖ Share responsibility, recognition, and ownership of team goals and results.

As a leader, help the team set priorities by evaluating all the tasks that need to be completed in terms of:

- importance to the overall team purpose or goals
- sequence of operations (one thing that must be done before something else can happen)
- cost of resources
- amount of time and effort needed for completion

Look for ways to recognize team members' efforts –

- Make an effort to “catch” people excelling
- Be specific in praise; tell the person exactly what was done well
- Use an appropriate occasion to recognize good work
- Tie the good work to the purpose of the team or the mission of the company
- Avoid criticizing or assigning another task while giving recognition

Organizational Culture

As an Entrepreneur, it is important to take into consideration the culture of your venture. Although a company's culture is often the result of day to day actions throughout the office, you, as a leader, have the ability to determine which direction the culture of your organization will take.

The leader's role in creating culture

Whether you like it or not, as a leader, you are also:

- a model
- a tone setter
- a symbol of who gets ahead
- a guardian or a designated change agent
- a product of the culture

Whether you like it or not, as a leader, you are largely responsible for your organization's culture. You need to understand the nature of that culture, how it is created, and how it can be changed.

An organization's culture is expressed and transmitted in numerous ways, including:

- The formal statements of philosophy, values, charter and credo
- The behavior modeled by management
- The criteria used for reward, status, selection, promotion, and termination
- The stories, legends, myths and parables about key people and events
- What **leaders** pay attention to, measure and control
- **Leader** reactions to critical incidents & crises that threaten survival, challenge norms and test values
- How the organization is designed & structured (reporting, centralization)
- Organizational systems & procedures (how things get done)

In order to change the culture, as a leader you must

- Create and foster a vision of a new future
- Face up to behaviors, values and norms in current culture that must change
- Initiate and lead the change
- Create a willingness to separate from the past
- Sell key stakeholders and build shared ownership through organization-wide participation
- Communicate the changes and new cultural messages
- Create a sense of urgency and excitement
- Model the behavior that supports the new vision
- Reward behavior which supports the new vision
- Maintain focus on the goal
- Sustain momentum
- Bring in resources who uniquely add value to the change effort by modeling new ways to act, think and view things

Common Cultural Characteristics of Entrepreneurial Organizations

Many small, entrepreneurial organizations are highly leader-centric.

- The power of this leader makes authority highly centralized--power resides in one individual. The organization feels stable and secure--it has a clear leader.
- The leader's ego makes him feel special and he feels his organization is special. So, he tries to project an image of success & exclusivity--puffing up and trying to look bigger than its real status would suggest
- Feelings of success and confidence abound. All feel that they are the best and their future is secure.
- All are focused on the hunt--the external challenges that are presented in the industry & marketplace. It is a dynamic and exciting world and far from a bureaucracy
- Employees are made to feel that they are part of a family
- Little politics and need for manipulation

As organizations grow, these things become increasingly difficult or impossible to maintain.

UNIT VI Section 6

OBJECTIVE: To identify and predict the types of regulatory systems in place that will affect the creation of an entrepreneurial venture.

Instructional Notes

Each entrepreneurial venture is defined in part by regulatory systems. What are regulatory systems? How do they affect entrepreneurial ventures?

Regulatory systems may include:

- school rules;
- local, community, state, and federal laws applying directly to the type of venture;
- health and safety regulations;
- labor standards;
- government legislation regarding the form of business ownership chosen;
- environmental regulations;
- consumer protection groups;

Students should be aware of the regulations in their community, the state, and country.

Suggested Instructional Approaches and Assessment Techniques

Regulation is a very comprehensive area. The students should be aware of the regulatory system within their situation. This may be accomplished by:

- bringing speakers into the classroom (for example: a constitutional lawyer to discuss a new level of government in the U.S./ state);
- having the students interview City Hall officials, administrators of schools, hospitals; or, local businesses.
- writing to government agencies regarding regulations within the students' areas of interest.

Following the activity, students may compose a newspaper article describing the advantages of regulatory systems and the implications, if any, that they may pose on their venture planning. The composition may be assessed for knowledge and technical skills such as grammar, punctuation, and spelling. Teachers may also wish to collect assessment information on process skills such as the ability to define, gather, organize, analyze, and make a judgment as to the worth of the information for venture planning.

Students may be divided into teams and sent into the community to conduct research into the various regulatory systems that are in place (schools, municipalities, health care facilities, home care facilities, community recreation centers and others). The teams may prepare an oral report for the class, outlining the regulations that were in place, the advantages and disadvantages of the regulations, and other pertinent information obtained in the research. Data on students' attitude (effort, communication skill) and knowledge could be collected from the group presentation.

Resources/Teacher Notes

The teacher may accumulate resources over a period of time. Some information regarding regulatory systems dealing with business operations is available from local, state, and federal government, or other offices.

As a class project, the students may prepare a bulletin board display illustrating the regulatory conditions in their school, community, province, and country. Assessment information may be collected on students' participation and application skills such as the ability to identify, collect, organize, and display the information attractively.

Students may prepare a report, design a board game, create a checklist, prepare an outline, compose a slogan or design a cartoon to summarize the importance of examining resources and doing research in anticipation of success with an entrepreneurial venture. Teachers may assess content, application, skills, and attitude in completing the project using criteria outlined on a checklist or rating scale (see sample checklist in appendix).

UNIT VI Section 7

OBJECTIVE: To outline and analyze the types of resources and research that are necessary to evaluate and plan an entrepreneurial venture.

Instructional Notes

At the end of this Unit the students may synthesize the entire exercise. What types of information did they learn? What resources are available to Hispanic entrepreneurs to assist them in their ventures? What types of research should an entrepreneur pursue? How will the information assist in the creation of a venture plan? How will research and the examination of resources reduce possible venture failures?

**Suggested Instructional Approaches
and Assessment Techniques**

Students may prepare a report, design a board game, create a checklist, prepare an outline, compose a slogan or design a cartoon to summarize the importance of examining resources and doing research in anticipation of success with an entrepreneurial venture. Teachers may assess content, application, skills, and attitude in completing the project using criteria outlined on a checklist or rating scale.

**Resources/Teacher
Notes**

Have the students utilize the Internet to help them gather information for their report.