

FUNDAMENTALS OF ENTREPRENEURSHIP

Course Number: MBA 541



Jones International University®, Ltd.

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Fundamentals of Entrepreneurship
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INTRODUCTION

This course provides an introductory overview to the knowledge and skills needed for entrepreneurship. The course offers a particular way of thinking about entrepreneurship (entrepreneurship as organizing) as well as a chance to gain new knowledge and skills about how to identify and pursue entrepreneurial opportunities that can be applied to a student's own interests. Entrepreneurship is viewed as a unique set of circumstances involving the entrepreneur, the opportunity (a business idea/strategy), the context (environment) surrounding the business idea, and the activities undertaken to organize the entrepreneur/opportunity/ context into a viable, profitable and on-going concern.

We will begin with a look at the entrepreneur. We will investigate whether entrepreneurs have special characteristics, knowledge, skills and abilities and whether entrepreneurship can be learned. The course emphasizes the ways that entrepreneurs are embedded in a social structure of opportunity.

We will examine how entrepreneurs undertake the tasks necessary for developing entrepreneurial opportunities. We explore how entrepreneurs find, screen, and evaluate ideas and new business opportunities. The course surveys various entry strategies used to transform opportunities into profitable on-going concerns. The process of determining the feasibility of an entrepreneurial opportunity is emphasized. We will study techniques for identifying customers, determining their needs, estimating future sales, and offer insights into entrepreneurial marketing strategies and tactics. We will also explore techniques for analyzing the financial requirements of various venture opportunities. Formal and informal sources of capital will be discussed. We will also examine how financing deals are negotiated and structured, including the task of determining a valuation for a new venture. The process of creating the organization, selecting others for involvement, developing an entrepreneurial culture, and creating the ethics, values and practices that might lead to a sustainable organization, is covered.

Finally, we cover entrepreneurial alternatives to independent business creation, ways that entrepreneurs manage emerging firms, and strategies for creating personal value by "harvesting" the venture.

The course utilizes books, readings, cases, and a series of exercises with web-based materials plus a number of activities that focus on a detailed understanding of the mindset and behaviors of entrepreneurs. A major thrust of the course is the exploration of an industry of interest to the student where specific opportunities and a network of support for pursuing these opportunities will be developed.

COURSE PERFORMANCE OBJECTIVES

By the conclusion of the course, the student will be able to:

- Develop a network of support for pursuing and actualizing opportunities
- Identify sources of opportunity
- Screen and evaluate venture opportunities
- Identify, understand, and evaluate the various activities involved in feasibility analysis
- Understand the process of identifying and selling to the first customer and expand sales to a customer network
- Identify and determine resources required for venture development and identify money sources
- Learn steps for approaching investors, structuring the deal, and understand the legal and tax issues involved
- Identify the characteristics of successful management teams and entrepreneurial cultures
- Identify entrepreneurial alternatives to independent business creation
- Explore aspects of managing the emerging firm and exit and harvest strategies

REQUIRED MATERIALS AND TECHNOLOGY

Required Textbooks and Reading Packet

Dollinger, Marc J. (2003). Entrepreneurship: Strategies and Resource. Upper Saddle River, NJ: Prentice Hall.

Online Article Reading Packet assembled specifically for this course containing readings and/or case studies tied to topics covered in each unit.

Check the course web site for additional readings.

Required Technologies

For a current list of our Technical Requirements, please visit <http://www.jonesinternational.edu/techreq>.

COURSE STRUCTURE

Module 1: The Attributes of Entrepreneurship

Objectives

- Develop a definition of entrepreneurship

- Create a theory of entrepreneurship based on organizing
- Utilize a discrete activity-based philosophy (small wins) for accomplishing entrepreneurial tasks
- See opportunity recognition and opportunity creation as a social process

Module 2: Where do ideas come from?

Objectives

- Identify sources of opportunity
- Scan, monitor, forecast, and assess the environment
- Analyze political, economic, technological, socio-demographic, and ecological trends

Module 3: Entrepreneurial Strategies

Objectives

- Identify entry wedges, resource-based strategies, and strategic postures for entrepreneurial activity
- Screen and evaluate venture opportunities

Module 4: Feasibility - The Essence of Entrepreneurship

Objectives

- Identify, understand, and evaluate the various activities involved in feasibility analysis

Module 5: Entrepreneurial Marketing

Objectives

- Understand the process of identifying and selling to the first customer
- Learn to expand sales from the first customer to a customer network
- Identify entrepreneurial marketing strategies and guerrilla tactics

Module 6: Entrepreneurial Finance

Objectives

- Identify the kinds of resources required for venture development
- Determine financing needs
- Identify money sources

- Estimate cash flow requirements
- Learn steps for approaching investors
- Structure the deal
- Identify legal and tax issues

Module 7: The Entrepreneurial Organization

Objectives

- Organizing
- Identify the characteristics of successful management teams
- Identify the characteristics of successful entrepreneurial cultures, ethics, values, and practices
- Identify entrepreneurial alternatives to independent business creation
- Explore aspects of managing the emerging firm
- Explore aspects of exit and harvest strategies

Module 8: The Entrepreneurial Lifestyle - A Portfolio of Activities

Summary Project.

Demonstrate a thorough understanding of the concepts we have covered in this course, and to specifically apply your knowledge, thoughtfulness and insights, in writing, to describing how the course has impacted you. Please draw on, illustrate, cite and integrate from the following sources: the book and readings, discussions, the entrepreneur interview, entrepreneur cases, and your own experiences, thinking and insights.

Summary of Assignments and Grading Weights

- (1) There are ten one-page papers that are to be submitted to the instructor. These papers are the basis for class discussions. The one-page papers and the class discussions are worth 40% of the grade for the class.
- (2) There is a ten page paper that describes the startup of a specific business by interviewing an entrepreneur. The "Entrepreneur Interview" is worth 20% of the grade for the class.
- (3) There is a Summary Project due for the last module. This summary project is worth 40% of the grade for the class.

Ten one-page assignments and class discussion evaluations: 400

Entrepreneur Interview	200
Summary Project	<u>400</u>
TOTAL	1000

Final Grade	Total Points Earned
A	900 – 1000
B	800 – 899
C	700 – 799
U	Less than 700

COURSE MATRIX

Module/Topic	Reading Assignment	Assignments
Module 1: <i>The Attributes of Entrepreneurship</i>	<p><i>Online Reading Packet:</i></p> <p>Gartner, W. B. (1988). "Who Is an Entrepreneur? Is the Wrong Question." <u>American Journal of Small Business</u>, 12 (4), pp. 11-32. (Reprinted in <u>Entrepreneurship: Theory and Practice</u>, 13 (4), 1989, pp. 47-68, as 1988 Best Article Award)</p> <p>Shane, S. and Venkataraman, S. (in press) "The promise of entrepreneurship as a field of research" <u>Academy of Management Review</u>.</p> <p>Weick, K. E. (1984). Small wins: Redefining the scale of social problems. <u>American Psychologist</u>. 39 (1): 40-49</p> <p>Weick, K. E. (1993). Small wins in organizational life. <u>Dividend</u>. Ann Arbor, MI: University of Michigan School of Business. 24 (1): 2-6.</p> <p>Gladwell, M. (1999). "Six Degrees of Lois Weisberg." <u>New Yorker</u>, January 11: 52-63.</p> <p><i>See course web site for additional readings.</i></p>	<p><i>Applications/Projects (graded):</i></p> <ul style="list-style-type: none"> • 1.1) Opportunities and Networks • 1.2) Ten Strangers <p><i>Exercises (non-graded):</i></p> <ul style="list-style-type: none"> • 1A – 1E <p><i>Web Theme and Exercises:</i></p> <ul style="list-style-type: none"> • Themes 1 – 3 and exercises 1F – 1H <p><i>See course web site for more information about assignments, practice exercises, and web activities.</i></p>
Module 2: <i>Where Do Ideas Come From?</i>	<p><i>Text:</i></p> <p>Dollinger, Marc J. (2003). Chapters 1, 2 + 3 In <u>Entrepreneurship: Strategies and Resource</u>. Upper Saddle River, NJ: Prentice Hall.</p> <p><i>See course web site for additional online readings.</i></p>	<p><i>Applications/Projects (graded):</i></p> <ul style="list-style-type: none"> • 2.1) Sources of Ideas. • 2.2) Ten Strangers <p><i>Exercises (non-graded):</i></p> <ul style="list-style-type: none"> • 2A – 2E <p><i>Web Theme and Exercises:</i></p> <ul style="list-style-type: none"> • Themes 1 – 3 and exercises 2F – 2H <p><i>See course web site for more information about assignments, practice exercises, and web activities.</i></p>

<p>Module 3: <i>Entrepreneurial Strategies</i></p>	<p><i>Online Reading Packet:</i> Gartner, William B., Starr, Jennifer A., and Subodh Bhat (1999). "Predicting New Venture Survival: An Analysis of 'Anatomy of a Startup' Cases from <u>Inc. Magazine</u>." <u>Journal of Business Venturing</u>. 14: 215-232.</p> <p><i>Text:</i> Dollinger, Marc J. (2003). Chapters 3 and 4 In <u>Entrepreneurship: Strategies and Resource</u>. Upper Saddle River, NJ: Prentice Hall.</p> <p><i>See course web site for additional online readings.</i></p>	<p><i>Applications/Projects (graded):</i></p> <ul style="list-style-type: none"> • 3.1) Opportunity Evaluation • 3.2) Ten Strangers <p><i>Exercises (non-graded):</i></p> <ul style="list-style-type: none"> • 3A – 3D <p><i>Web Theme and Exercises:</i></p> <ul style="list-style-type: none"> • Themes 1 & 2 and exercise 3E <p><i>See course web site for more information about assignments, practice exercises, and web activities.</i></p>
<p>Module 4: <i>Feasibility: The Essence of Entrepreneurship</i></p>	<p><i>Text:</i> Dollinger, Marc J. (2003). Chapter 5 In <u>Entrepreneurship: Strategies and Resource</u>. Upper Saddle River, NJ: Prentice Hall.</p> <p><i>See course web site for additional online readings.</i></p>	<p><i>Applications/Projects (graded):</i></p> <ul style="list-style-type: none"> • 4.1) Entrepreneur Interview <p><i>Exercises (non-graded):</i></p> <ul style="list-style-type: none"> • 4A – 4H <p><i>Web Theme and Exercises:</i></p> <ul style="list-style-type: none"> • Theme 1 and exercises 4I <p><i>See course web site for more information about assignments, practice exercises, and web activities.</i></p>
<p>Module 5: <i>Entrepreneurial Marketing</i></p>	<p><i>Online Reading Packet:</i> Gartner, William B. and Robert J. Thomas. (1993). "Factors Affecting New Product Forecasting Accuracy in New Firms." <u>Journal of Product Innovation Management</u>. 10 (1), pp. 35-52.</p> <p><i>Text:</i> Dollinger, Marc J. (2003). Chapter 6 In <u>Entrepreneurship: Strategies and Resource</u>. Upper Saddle River, NJ: Prentice Hall.</p> <p><i>See course web site for additional online readings.</i></p>	<p><i>Applications/Projects (graded):</i></p> <ul style="list-style-type: none"> • 5.1) Identifying Potential Customers • 5.2) Ten Strangers <p><i>Exercises (non-graded):</i></p> <ul style="list-style-type: none"> • 5A – 5F <p><i>Web Theme and Exercises:</i></p> <ul style="list-style-type: none"> • Themes 1 – 3 and exercises 5G & 5H <p><i>See course web site for more information about assignments, practice exercises, and web activities.</i></p>

<p>Module 6: <i>Entrepreneurial Finance</i></p>	<p><i>Text:</i> Dollinger, Marc J. (2003). Chapters 7 and 8 In <u>Entrepreneurship: Strategies and Resource</u>. Upper Saddle River, NJ: Prentice Hall.</p> <p><i>See course web site for additional online readings.</i></p>	<p><i>Applications/Projects (graded):</i></p> <ul style="list-style-type: none"> • 6.1) Identifying and Determining Resources Needed for Venture Creation • 6.2) Ten Strangers <p><i>Exercises (non-graded):</i></p> <ul style="list-style-type: none"> • 6A – 6F <p><i>Web Theme and Exercises:</i></p> <ul style="list-style-type: none"> • Themes 1 – 4 and exercises 6G – 6H <p><i>See course web site for more information about assignments, practice exercises, and web activities.</i></p>
<p>Module 7: <i>Entrepreneurial Alternatives to Independent Startup</i></p>	<p><i>Text:</i> Dollinger, Marc J. (2003). Chapter 10 in <u>Entrepreneurship: Strategies and Resources</u>. Upper Saddle River, NJ: Prentice Hall.</p> <p><i>See course web site for additional online readings.</i></p>	<p><i>Applications/Projects (graded):</i></p> <ul style="list-style-type: none"> • 7.1) Exploiting Opportunities by Franchising • 7.2) Ten Strangers <p><i>Exercises (non-graded):</i></p> <ul style="list-style-type: none"> • 7A – 7E <p><i>Web Theme and Exercises:</i></p> <ul style="list-style-type: none"> • Themes 1 & 2 and exercises 7F – 7H <p><i>See course web site for more information about assignments, practice exercises, and web activities.</i></p>

<p>Module 8: <i>The Entrepreneurial Life and Organization</i></p>	<p><i>Text:</i> Dollinger, Marc. J. (2003). Chapter 9 in <u>Entrepreneurship: Strategies and Resources</u>. Upper Saddle River, NJ: Prentice Hall.</p> <p><i>See course web site for additional online readings.</i></p>	<p><i>Applications/Projects (graded):</i></p> <ul style="list-style-type: none"> • 8.1) The Summary Project <p><i>Exercises (non-graded):</i></p> <ul style="list-style-type: none"> • 8A – 8D <p><i>Web Theme and Exercises:</i></p> <ul style="list-style-type: none"> • Themes 1 & 2 and exercises 8E – 8G <p><i>See course web site for more information about assignments, practice exercises, and web activities.</i></p>
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MODULE 1

THE ATTRIBUTES OF ENTREPRENEURSHIP

PLAN FOR COMPLETING THE MODULE

1. Read the study guide section for this module
2. Do the assigned text and article readings
3. Do Exercises 1A – 1E in the study guide
4. Read the web critical themes and complete the exercises
 - Theme 1 and Exercise 1F
 - Theme 2 and Exercise 1G
 - Theme 3 and Exercise 1H
5. Do Application / Projects 1.1 and 1.2
6. Review the lesson synthesizer and extensions in the study guide

PERFORMANCE OBJECTIVES

After completing this module students will be able to:

- Develop a definition of entrepreneurship
- Create a theory of entrepreneurship based on organizing
- Utilize a discrete activity-based philosophy (small wins) for accomplishing entrepreneurial tasks
- See opportunity recognition and opportunity creation as a social process
- Undertake "networking" skills for pursuing opportunities

OVERVIEW AND CRITICAL THEMES

You probably have an image of what an entrepreneur looks like, what an entrepreneur does, and reasons for why you think entrepreneurs are successful. It would be difficult to not have some ideas about entrepreneurship. The media is filled with portrayals of successful entrepreneurs: Bill Gates, Jim Clark,

Jeff Bezos, Sky Dayton, Sam Walton. How did these individuals become successful? Are these individuals uniquely gifted as entrepreneurs? Can their ways of thinking and acting be learned by others? What does it take to be successful as an entrepreneur?

The purpose of this module is to explore your views of entrepreneurs and entrepreneurship, and to offer a unique view of what entrepreneurship is, and how entrepreneurial activities can be undertaken. You will also begin to undertake some entrepreneurial activities to actualize your own dreams and goals.

The first set of readings (Gartner, 1988; Shane and Venkataraman, in press) focuses on different ways to think about entrepreneurship and entrepreneurs. The perspective of these readings is that entrepreneurship is a set of activities rather than a unique personality type. Entrepreneurship is not about "who one is." Entrepreneurship is about "what one does." Entrepreneurial activities, "what one does," involves the recognition of opportunities and the realization of these opportunities through organization creation. The course is, therefore, action based, and much of the effort in this course involves recognizing the kinds of actions that successful entrepreneurs take, and practicing these activities in ways that will enable you to be more entrepreneurial.

The second set of readings (Weick, 1984 + 1993) offers a philosophy and a framework for understanding how concrete actions evolve towards successful outcomes: "small wins."

"A small win is a concrete, complete, implemented outcome of moderate importance. By itself, one small win may seem unimportant. A series of wins at small but significant tasks, however, reveals a pattern that may attract allies, deter opponents, and lower resistance to subsequent proposals. Small wins are controllable opportunities that produce visible results." (Weick, 1984, p. 43)

It is often assumed that the creation of a successful business was the outcome of significant and important activities. We argue that important and valuable outcomes are achieved through the development of a series of "small wins." Achieving success in entrepreneurship is often merely the result of taking action. Entrepreneurship is about "doing." Sometimes, taking any action, even a small action, will help create situations where opportunities can unfold. Most of the activities in this course involve the "small win" perspective. You will generate a number of successes for each module that can be used to build entrepreneurial opportunities that you can achieve.

ASSIGNMENTS

Required Readings:

Gartner, W. B. (1988). "Who Is an Entrepreneur? Is the Wrong Question." American Journal of Small Business, 12 (4), pp. 11-32. (Reprinted in Entrepreneurship: Theory and Practice, 13 (4), 1989, pp. 47-68, as 1988 Best Article Award)

Shane, S. and Venkataraman, S. (in press) "The promise of entrepreneurship as a field of research" Academy of Management Review.

Weick, K. E. (1984). Small wins: Redefining the scale of social problems. American Psychologist. 39 (1): 40-49

Weick, K. E. (1993). Small wins in organizational life. Dividend. Ann Arbor, MI: University of Michigan School of Business. 24 (1): 2-6.

Gladwell, M. (1999). "Six Degrees of Lois Weisberg." New Yorker, January 11: 52-63.

Check the course web site for additional readings.

Exercises (non-graded)

- 1A) Read the Gartner (1989), and Shane and Venkataraman (in press) articles. How is entrepreneurship different from other kinds of human activities? How is entrepreneurship different from other kinds of managerial activities? Write a one sentence definition of entrepreneurship. Refer to this definition as the course progresses. How has this definition changed?
- 1B) Read the Weick (1984: 1993) articles. Generate a list of "small wins" that you have accomplished in: (a) the past year, (b) the last month, (c) yesterday. What makes these activities "small wins?"
- 1C) Make a list of your "strong ties" (i.e., your family and friends). Who in your "strong tie" network might help you find and develop an opportunity? Make a list of your "weak ties" (i.e., acquaintances, and business associates). Who in your "weak tie" network might help you find and develop an opportunity? Who, in both your weak and strong tie networks, might know of other people who can help you?

- 1D) What kinds of opportunities would you like to pursue? What kind of industry would you like to explore for this course? What kind of business would you like to start? What kind of business would you like to own or manage? Who will you need to know in order to pursue this kind of business?

Applications/Projects (graded)

- 1.1) **Opportunities and Networks.** Write a one-page paper that identifies the ways in which these three entrepreneurs developed their entrepreneurial networks. Submit this paper to the instructor.
- 1.2) **Ten Strangers.** The primary activity for identifying and developing your own opportunities during this course will be through networking. Each week, you will accomplish a "small win" by contacting "strangers" (individuals with whom you have not had any previous personal contact with) about aspects of entrepreneurship that will be of benefit to you. The "Ten Strangers" exercise is an ongoing assignment that will be a part of the portfolio of activities due in Module 8. In addition, the assignment for Module 4 is an interview of an entrepreneur. The ten strangers exercise can be used to locate the entrepreneur you will need to interview for this module. So, each week, you will be contacting new strangers to help you as an entrepreneur. By the end of the course you will have developed a minimum of 70 new contacts that will help you achieve your entrepreneurial ambitions.

This week, contact ten strangers about any aspect of entrepreneurship that is of benefit to you. These strangers can be entrepreneurs; experts, customers, suppliers in an industry you are interested in; and venture enablers such as accountants, lawyers and investors.

Keep a log of these strangers. Provide a name and contact information (address, phone number, email) for each stranger. How did you get the name of this stranger? Why did you contact this stranger? What benefits were you hoping to offer this stranger? What benefits were you hoping this stranger would offer you? What other contacts was this stranger able to offer you to help you achieve your goals? This log will be a part of a portfolio of accomplishments that will be submitted for Module 8. See Module 8 for details.

See the course web site for additional information.

LESSON SYNTHESIZER AND EXTENSIONS/CHALLENGES

We might think of our lives as based on the sum of our actions. Who we are might be seen as the result of what we do. Actions form the basis of our character. To be an entrepreneur, in this context, means to act like an entrepreneur. Entrepreneurs take action to recognize and pursue opportunities. Entrepreneurs organize new ventures.

Why is action important in entrepreneurship? The idea of "small wins" suggests that opportunities are often underdetermined events. There are many possibilities that might occur in any situation. Whether something does occur will depend on what actions are taken. Think of an opportunity as a seed. Without some action to plant and water the seed, it is likely that the seed will never sprout, take root, and grow. Actions are necessary to make opportunities real. Without action, dreams never can become concrete.

Entrepreneurship is a social process where "who one knows" may have more value than "what one knows." Social capital, the relationships that one has, and the relationships that one develops, are the primary vehicle for finding and pursuing opportunities. Anecdotal evidence suggests that entrepreneurs need to generate a network of over 250 individuals in order to successfully start a company. The ten strangers exercises for this course will result in the development of a network of less than half of the necessary contacts you will likely need. Students with a very serious interest in starting a business should consider contacting 250 strangers as a worthy goal during this course.

Who did you meet today who might play a role developing your dreams?

MODULE 2

WHERE DO IDEAS COME FROM?

PLAN FOR COMPLETING THE MODULE

1. Read the study guide section for this module
2. Do the assigned text and article readings
3. Do Exercises 2A – 2E in the study guide
4. Read web Theme 1 and do Exercise 2F
5. Do Application / Projects 2.1 and 2.2
6. Read web Theme 2 and Exercise 2G
7. Read web Theme 3 and Exercise 2H
8. Review the lesson synthesizer and extensions in the study guide

PERFORMANCE OBJECTIVES

After completing this module students will be able to:

- Identify sources of opportunity
- Scan, monitor, forecast, and assess the environment
- Analyze political, economic, technological, socio-demographic, and ecological trends
- Undertake an evaluation of personal goals and interests

OVERVIEW AND CRITICAL THEMES

Where do ideas for successful businesses come from? Are entrepreneurs just lucky individuals who stumble upon an idea for a successful business? Can individuals systematically seek opportunities? The purpose of this module is to recognize a number of different paths for finding opportunities and to apply these methods to finding opportunities that you would deem worthy to develop into a successful business. In addition, the module explores ways to recognize environmental characteristics that will affect the opportunities you are likely to pursue, as well as recognize how environments might change over time to

allow new opportunities to occur.

As the Dollinger (1999) and the online readings suggest, opportunities can come from a variety of sources. Most opportunities are discovered because of previous work experiences. Why is this? Work offers chances to make connections among the various individuals necessary for ideas to become viable businesses: customers, suppliers, employees, etc. Work provides chances to navigate among these networks of individuals. As the previous module suggests, opportunities occur because markets are inefficient: people don't have the same information nor do they have the same relationships. Entrepreneurs are able to exploit these gaps in knowledge and in connections among people. Our work experiences are often the most likely chances to develop and establish networks.

An important aspect of recognizing opportunities requires understanding the context in which an opportunity might prove viable. There are a variety of techniques for evaluating the environment and industry that an opportunity might be exploited in. The online readings provide a number of checklists of characteristics of environments that an entrepreneur might recognize. In addition, because environments and industries change, savvy entrepreneurs need to "think ahead" and devote some thought to recognizing how environmental changes might impact present opportunities. For example, opportunities in medical care are likely to be affected by changes in governmental regulations and reimbursement policies, as well as changes in technology. Failure to recognize possible changes in health care regulation could prove to be extremely harmful to a new medical care company. We will also explore aspects of forecasting and scenario planning, which help entrepreneurs prepare for the future and take advantage of opportunities.

Finally, the module offers a series of exercises to help you explore your personal goals and interests. The development of an opportunity requires dedicated commitment. Such commitment is the result of insuring that the opportunity chosen is aligned with the entrepreneur's goals and interests. Opportunities that don't match the entrepreneur's interests and goals will not be sufficiently exploited. Developing a business requires a lot of hard work and effort. Therefore, being clear on your goals and interests will help you better screen out those opportunities that can't meet your personal criteria.

ASSIGNMENTS

Required Readings:

Dollinger, Marc J. (2003). Chapters 1, 2 + 3 In Entrepreneurship: Strategies and Resource. Upper Saddle River, NJ: Prentice Hall.

Check the course web site for additional readings.

Exercises (non-graded)

- 2A) Read the first three chapters in Dollinger (2003). Generate a list of the ways that an entrepreneur can identify opportunities. Can you think of entrepreneurs who have utilized each of these opportunity discovery paths? Which of these opportunity recognition paths do you think most entrepreneurs are likely to use? Why? Which opportunity recognition paths do you think are more likely to lead to the development of successful businesses? Why?
- 2B) Using the list of ways that entrepreneurs identify opportunities, can you use these ways to think of ideas that might be the foundation for new businesses? What kinds of resources might be necessary for these opportunities to evolve into businesses?
- 2C) Which opportunity recognition processes do you think might be helpful in your search for an opportunity? What kinds of opportunities do you think might be worth your time and effort pursuing? What kinds of personal resources do you bring to each of these opportunities?
- 2D) An important aspect of opportunity development requires the commitment of an entrepreneur. Ideas require individuals to champion them into existence. What kinds of factors are likely to motivate individuals to pursue opportunities? Make a list of the top ten factors that might motivate an entrepreneur. For each of these factors, rank from 1 (most important) to 10 (least important) the value of each of these factors for you. For the opportunities identified in 2C, evaluate their importance to you using the 10 factors identified.
- 2E) Identify your strengths and weaknesses for the opportunities that you are interested in pursuing. For each weakness that you have identified, develop an action plan to solve that problem. Is there a pattern of strengths to the opportunities you have identified? Is there a pattern of weaknesses to the opportunities you have identified?

Applications/Projects (graded)

- 2.1) **Sources of Ideas.** Write a two-page paper that explores the ways that entrepreneurs found the opportunities that they developed into businesses presented on the web. The first page should be a spreadsheet that compares and contrasts the six startup cases.

See course web site for details on this assignment

- 2.2) **Ten Strangers.** Students in the class are likely to be at different stages in the opportunity recognition process. Some students may have identified an opportunity. Other students may be searching for opportunities to pursue. Described below are two different paths for pursuing

strangers based on whether you have an opportunity that you are interested in pursuing, or you are looking for an opportunity. It is important that you keep a log of the contacts you meet. Provide a name and contact information (address, phone number, email) for each stranger. How did you get the name of this stranger? Why did you contact this stranger? What benefits were you hoping to offer this stranger? What benefits were you hoping this stranger would offer you? What other contacts was this stranger able to offer you to help you achieve your goals. This log will be a part of a portfolio of accomplishments that will be submitted for Module 8. See Module 8 for details. In addition, Module 4 involves writing a paper based on an interview of an entrepreneur. The ten stranger exercise can be used to find the entrepreneur who will be the basis of your paper. See Module 4 for details.

For those students who have identified an opportunity, this week's ten strangers exercise should focus on finding individuals who are pursuing opportunities that are similar to yours. What are these individuals doing that is different than your idea? What are these individuals doing that is similar? Why is your opportunity likely to be successful compared to the opportunities they are pursuing?

For those students who may be searching for opportunities to pursue, this week's strangers exercise should focus on talking to individuals who might have opportunities that can be exploited. A number of web sites are profiled where opportunities are made available for potential entrepreneurs.

See the course web site for additional information.

LESSON SYNTHESIZER AND EXTENSIONS/CHALLENGES

Is the identification of a viable opportunity a matter of luck, or skill? In most instances, entrepreneurs are actively involved in the discovery of the opportunities they eventually exploit. Entrepreneurs typically have worked in the industry that they "discover" the opportunity they pursue. These years of industry experience provide the needed contacts necessary to see where opportunity gaps occur. In the context of an entrepreneur's previous background experiences, discovering an opportunity seems to be an outgrowth of the entrepreneur's prior efforts. Opportunity recognition is a skill, rather than luck. It would be a valuable exercise to re-read the "Six Degrees of Lois Weisberg" article to analyze how she recognized the opportunities she pursued. Were these opportunities the result of luck, or were these opportunities the result of her abilities to exploit her network of relationships? What are the characteristics of individuals who are alert to new opportunities?

There is some research that suggests that entrepreneurs are likely to devote substantially more effort to scanning the environment than individuals in other occupations. In this research, "scanning the environment" was typically represented by the amount of time entrepreneurs took to read newspapers, popular and trade magazines, and talk with "other people" (i.e., strangers). Entrepreneurs are prolific gatherers of information. They pay attention to their surroundings. They ask questions.

Finally, for those students who would like to explore the opportunity recognition process in more detail, Eric Von Hippel has written an insightful book on how innovative companies identified new products and services to exploit [Von Hippel, E. (1988). The Sources of Innovation, New York: Oxford University Press]. The discovery of opportunities are dependent on the characteristics of the industry. In some industries, such as plastics and farm machinery, all of the new products and services were developed by companies within the industry. In other industries, such as scientific instruments, nearly all of the new products and services were developed by customers. And, in some industries, such as industrial gas and wire equipment, many of the new products and services were developed by suppliers to the industry. Innovation is the result of sharing know how, and exploiting this know how across the value chain from suppliers to manufacturers to buyers. Who will best benefit from shared know how is explained, in detail, in this book. We suggest that many of Von Hippel's arguments support the insights offered by Burt (1992) in the previous model about the value of structural holes.

MODULE 3

ENTREPRENEURIAL STRATEGIES

PLAN FOR COMPLETING THE MODULE

1. Read the study guide section for this module
2. Do the assigned text and article readings
3. Do Exercises 3A – 3D in the study guide
4. Read web Theme 1
5. Do Application / Projects 3.1 and 3.2
6. Read web Theme 2 and do Exercise 3E
7. Review the lesson synthesizer and extensions in the study guide

PERFORMANCE OBJECTIVES

After completing this module students will be able to:

- Identify entry wedges, resource-based strategies, and strategic postures for entrepreneurial activity
- Screen and evaluate venture opportunities
- Gain knowledge of legal means for protecting ideas
- Learn to protect the competitive position of a new idea by forestalling imitation

OVERVIEW AND CRITICAL THEMES

Taking an idea and creating an ongoing business requires a mix of capabilities. Entrepreneurs need to be able to ascertain whether the idea, itself, is doable, that is, can the idea for a product or service actually be accomplished? Is the idea technically feasible? In addition, entrepreneurs need to explore whether there are customers for the product or service, and whether these customers are willing to buy at a price the proposed venture might be able to achieve. Finally, an entrepreneur needs to explore whether there are other ventures offering similar products or services, and whether the entrepreneur's new venture offers some compelling advantages to customers vis-à-vis other competitors in the market place.

Generating this combination of the right idea turned into the right product/service for the right customers at the right price is a difficult challenge. The mix (for example, idea/customers/benefits/price) changes as more information about some, or all of these issues, is discovered.

As the readings and the online resources demonstrate, entrepreneurs must answer a variety of questions in order to determine whether an opportunity should be developed into a business. These questions form the basis for determining a strategy, or direction, for the proposed new venture. As an entrepreneur takes action to answer these questions, these concrete steps turn implicit ideas about the future idea of a new business into the explicit strategies that will direct the company. In this way, the actions that the entrepreneur takes to develop a business can be documented and described as a "business plan." The business plan (outlined in the next module) can be seen as the culmination of previous actions to develop an opportunity as well as the proposed actions to enable an idea to become an ongoing business. Business plans, in this perspective, document past and future actions to develop opportunities. Business plans are action plans. Business plans provide an understanding of what actions are necessary to develop a successful business.

The focus on developing a list of success and failure factors in new venture creation helps a prospective entrepreneur identify the critical issues an entrepreneur must face in developing a business. Understanding how these critical issues change as the entrepreneur discovers more information about the technical feasibility of the idea, the needs and wants of potential customers, and the constraints of competitors, is crucial for developing a fledgling idea into a viable business. Can a model of successful entrepreneurial behavior be developed? Do entrepreneurs seem to follow the same patterns of behaviors? Do entrepreneurs seem to face the same problems in developing their businesses? When new ventures fail, do they seem to make the same mistakes?

Insuring that a new venture has some competitive advantage over other businesses is often dependent on the ability of the new venture to prevent imitation. We explore how entrepreneurs can prevent others from copying innovative ideas and practices, as well as the pitfalls and expenses that incur when such a defense is made.

ASSIGNMENTS

Required Readings:

Gartner, William B., Starr, Jennifer A., and Subodh Bhat (1999). "Predicting New Venture Survival: An Analysis of 'Anatomy of a Startup' Cases from Inc. Magazine." Journal of Business Venturing. 14: 215-232.

Dollinger, Marc J. (2003). Chapters 3 and 4 In Entrepreneurship: Strategies and Resource. Upper Saddle River, NJ: Prentice Hall.

Check the course web site for additional readings.

Exercises (non-graded)

- 3A) Read Chapters 3 and 4 in Dollinger (2003), and Gartner, Starr and Bhat (1999). Develop a list of success and failure criteria that you would use to evaluate new venture opportunities. What determines whether a business opportunity is feasible, or not? What kinds of strategies seem to result in higher rates of profitability? What kinds of industries might be more profitable? What kinds of unique resources do new ventures need to successfully compete?
- 3B) Using some of the opportunity evaluating processes described in the book and readings, which opportunity evaluating processes do you think might be helpful in your evaluation of an opportunity?
- 3C) In what ways can an idea gain some protection from imitation? What are the advantages and disadvantages of these different ways?
- 3D) After identifying the ways to protect ideas described in the readings, which ways do you think might be helpful in developing your opportunity?

Applications/Projects (graded)

- 3.1) **Opportunity Evaluation.** Submit a two-page paper that identifies the critical factors that determine whether an opportunity can be developed into a viable business. The first page should identify the critical success factors that you believe are important to the successful development of a business and offer logic and evidence from the readings as to the importance of each of these factors. The second page should be an analysis of the five cases presented on the web. Evaluate whether these five cases meet the success and failure criteria described earlier. Which of these five startup cases do you predict will succeed? Which of these five will fail? Make sure to base your predictions on your success and failure criteria. Submit this paper to the instructor.

See the course web site for details on this assignment.

- 3.2) **Ten Strangers.** Students in the class are likely to be at different stages in the opportunity evaluation process. Some students may have selected an opportunity to evaluate. Other students may be searching for an opportunity during the entire course. Described below are two

different paths for pursuing strangers for learning more about opportunity evaluation. It is important to keep a log of the contacts you meet. Provide a name and contact information (address, phone number, email) for each stranger. Why did you contact this stranger? What benefits were you hoping to offer this stranger? What benefits were you hoping this stranger would offer you? What other contacts was this stranger able to offer you to help you achieve your goals? This log will be a part of a portfolio of accomplishments submitted for Module 8. See Module 8 for details. In addition, Module 4 involves writing a paper based on an interview of an entrepreneur. The ten stranger exercise can be used to find the entrepreneur who will be the basis of your paper. See Module 4 for details.

For those students who have identified an opportunity, this week's ten strangers exercise should focus on finding individuals who are involved in evaluating opportunities similar to yours. These individuals could be bankers, lawyers, accountants, or experts in the industry you plan to compete in. What kinds of criteria do these individuals use to evaluate whether your opportunity will be successful? What kinds of evidence do these individuals require to be convinced that your opportunity will be successful? Does the evaluation criteria change vis-à-vis the background of the individual you interviewed?

For those students who will be searching for an opportunity throughout the course, this week's strangers exercise should focus on talking to individuals who evaluate opportunities. These individuals could be bankers, lawyers, accountants, or new venture investors. What kinds of criteria do these individuals use to evaluate whether an opportunity will be successful? What are the differences among these individuals in the ways they go about evaluating opportunities?

See the course web site for additional information.

LESSON SYNTHESIZER AND EXTENSIONS/CHALLENGES

The development of a venture strategy in entrepreneurship is an emergent process that is based on the actions of entrepreneurs in the process of developing their opportunities. How a new venture will successfully compete depends on a number of choices regarding how the entrepreneur will handle: the development of a particular idea for a product or service, the identification of customers who are likely to buy, the constraints of competitors and suppliers, legal regulations, and a myriad of other factors that might need to be accounted for. A conscious strategy for a new business will likely emerge as an entrepreneur gains awareness of the critical success factors that will impact the development of an opportunity.

Therefore, what will help an entrepreneur increase the likelihood of success at getting into business, and

the ability to develop a viable strategy to develop an opportunity, is an awareness of the factors that might influence successful startup. The readings should help identify some of the factors that might influence success. The exercises offer some practice at evaluating whether these factors might actually predict success. One issue worth exploring in reading over the cases is the flexibility of the entrepreneur to solve problems as they arise. When an entrepreneur is faced with solving a critical success factor, how does the entrepreneur create solutions? In some cases it seems that the entrepreneurs have the resources and abilities to solve critical problems. In other cases, entrepreneurs seem to find ways to generate the resources and abilities necessary. And, finally, some entrepreneurs never seem to find the right solution. How important is flexibility and adaptability?

Going back to an idea offered in the first module, the idea of "small wins," it is worth exploring how entrepreneurs go about testing their situations for clues about the critical success and failure factors. Many of the cases involve scenarios that look like small wins. Entrepreneurs engage in small actions that produce visible results that provide the foundation for further action, or changes in action. Small wins are like small experiments for an entrepreneur, where a conjecture about an opportunity might be tried out. It is important to consider how entrepreneurs go about learning when developing a new venture. Is the small win process the best way to learn, or, can you identify other ways that entrepreneurs learn from their mistakes and successes?

It might be of value to consider whether the factors that influence success at getting into business are the same factors that influence success at staying in business, or success at growing a business. In reviewing all of the case studies of startups, do the factors that influence success change as the venture evolves? Can you identify startup examples where the founder chose a strategy for getting into business that created constraints on subsequent possibilities to grow, or take advantage of changes in the environment or industry?

In an economy that seems to be increasingly based on information, ideas have value. Protecting an idea is often critical to the development of an opportunity. There are a number of legal means to protect ones ideas and prevent others from imitating them. The exercises and readings offer clues as to when intellectual property laws can be of use in providing entrepreneurs with a competitive advantage for the new ventures.

One of the major challenges facing an entrepreneur when developing an opportunity is convincing others to participate (e.g., customers buying, investors financing, employees joining) when the proposed innovation is radically new and different. How does an entrepreneur go about divulging just enough information to insure that others will find the opportunity viable while not providing enough information so that others can duplicate the idea? When is this issue a problem? And, how important are intellectual property laws for protecting valuable ideas from imitation? In interviewing strangers about the opportunity evaluation process, what kinds of insights did they offer about protecting ideas?

MODULE 4

FEASIBILITY: THE ESSENCE OF ENTREPRENEURSHIP

PLAN FOR COMPLETING THE MODULE

1. Read the study guide section for this module
2. Do the assigned text and article readings
3. Do Exercises 4A – 4H in the study guide
4. Read web Theme 1 and do Exercise 4I
5. Do Application / Projects 4.1
6. Review the lesson synthesizer and extensions in the study guide

PERFORMANCE OBJECTIVES

After completing this module students will be able to:

- Identify, understand, and evaluate the various activities involved in feasibility analysis

OVERVIEW AND CRITICAL THEMES

Determining the feasibility of an opportunity is, in essence, determining the likelihood that the opportunity can become a viable venture. Feasibility analysis should provide an entrepreneur with a perspective on the odds that an opportunity will prove doable. The primary question asked in feasibility analysis is: Under what conditions should this opportunity go forward? Since there is a course on feasibility (MBA 542 - Feasibility) that delves into all of the details of the feasibility analysis process, the purpose of this module is to provide an overview of many of the issues that a feasibility analysis will address.

Feasibility analysis is mid-range between opportunity recognition and the development of a business plan. In developing a business plan, an entrepreneur would describe, in detail, all aspects of the business and the environment that would affect the business' operations as well as the step by step procedures for developing the business into a successful ongoing concern. A business plan describes

the past (where have you been?) the present (where are you now?), and the future (where do you plan to go?) of the proposed venture opportunity. This module will cover business plans as a way to offer some insights into all of the components of developing a new venture that an entrepreneur would need to consider. The chapter in Dollinger (2003) on The Business Plan (Chapter 5) and the many cases with business plans provide formats for business plans, as well as strategies for considering what specific aspects of developing a business might be more valuable pursuing. It should also be noted that MBA 543 (The Business and Marketing Plan) provides an opportunity to undertake all of the activities involved in writing a business and marketing plan.

Developing a feasibility analysis is undertaking the analytical tasks to come up with the critical success and failure factors that will determine whether an opportunity can be developed into a viable business. In many respects, much of the work of developing the critical success and failure factors for new venture creation has already been accomplished in the previous modules. This module will explore how the entrepreneurs that you interviewed went about identifying critical success and failure factors as well as how these entrepreneurs took actions to overcome problems they faced. Under what conditions did these entrepreneurs find themselves in, and how did they determine whether they should go forward with their opportunities? And, once they made the determination to go forward, what actions did they undertake?

ASSIGNMENTS

Required Readings:

Dollinger, Marc J. (2003). Chapter 5 In Entrepreneurship: Strategies and Resource. Upper Saddle River, NJ: Prentice Hall. Check the course web site for additional readings.

Exercises (non-graded)

- 4A) Read Chapter Five in Dollinger (2003). What would be three major tasks that an entrepreneur should consider before deciding to move forward with an opportunity? How much information should be collected in order to generate sufficient insights into the viability of an opportunity? Under what conditions is having no information about an aspect of a business sufficient to move forward?
- 4B) What major tasks might be necessary for you to develop the opportunity you are considering?
- 4C) In reviewing all of the Entrepreneur Interviews posted on the class web site, what kinds of opportunities did these entrepreneurs pursue?

- 4D) In reviewing all of the Entrepreneur Interviews posted on the class web site, what factors in the entrepreneur's background were critical in enabling an opportunity to be identified and developed? What factors in the entrepreneur's situation seemed to be critical for identifying and developing an opportunity? How important was previous work experience in providing the opportunity and the critical success factors necessary to develop the venture?
- 4E) In reviewing all of the Entrepreneur Interviews posted on the class web site, what seemed to be the five most frequently listed activities that entrepreneurs identified for turning an opportunity into a business? How much time and effort did these entrepreneurs take from the time of identifying the idea to the time the entrepreneur considered the venture to be a viable business?
- 4F) In reviewing all of the Entrepreneur Interviews posted on the class web site, what seem to be the five major problems that entrepreneurs encounter and the solutions for solving these problems?
- 4G) In reviewing all of the Entrepreneur Interviews posted on the class web site, what seem to be the three major sources of help and guidance for entrepreneurs during the startup of their businesses?
- 4H) In reviewing all of the Entrepreneur Interviews posted on the class web site, what kinds of advice do these entrepreneurs offer for insights into successfully starting a business?

Applications/Projects (graded)

- 4.1) **Entrepreneur Interview.** The purpose of this project is to explore the details of how an entrepreneur identified an opportunity and transformed this opportunity into an ongoing business. The paper is to be no more than (10) pages in length. Please submit the paper in 12-point type. The paper may be single or double-spaced. The paper will be graded on your answers to the following questions:
1. Provide a name, address, and phone number for this entrepreneur.
 2. Describe the opportunity that the entrepreneur decided to pursue.
 3. What influenced the entrepreneur to identify and pursue this opportunity (e.g., family history, education, work experience)?
 4. What did the entrepreneur do (identify specific activities) to turn the opportunity into a business? AND When did the entrepreneur do these activities? (Provide dates: month and year)

5. What major problems did the entrepreneur encounter during the creation of this business?
6. How were those problems solved?
7. Who did the entrepreneur use for help and guidance during the startup of this business?
8. What advice would the entrepreneur give to someone thinking about starting a business?
9. Write at least a three-page analysis of why this entrepreneur was successful at getting into business. (Note: This question will be double weighted in computing the score for this paper)

Please use these nine questions as the format for your paper. Submit this paper to the instructor AND post the paper on the course web site so that other students in this course can also read your interview for purposes of analysis and discussion. The class will discuss the following questions: How did these entrepreneurs determine whether they should pursue the opportunities they identified? What were the major activities that these entrepreneurs worked to accomplish? What were the major problems these entrepreneurs faced and how were these problems overcome? How did these entrepreneurs use their network of contacts to help them develop their opportunities?

The papers will be used during the remainder of the course as a source for insights about the kinds of tasks entrepreneurs undertake for marketing, financing, and organizing their businesses.

LESSON SYNTHESIZER AND EXTENSIONS/CHALLENGES

An important aspect of creating a successful business is overcoming the obstacles that will occur in the venture development process. Feasibility analysis provides insights into what kinds of obstacles are likely to occur during new venture development as well as insights into how these obstacles might be overcome. It is likely that the Entrepreneur Interviews described many different obstacles and many different solutions. It is crucial to develop your own insights into the ways that entrepreneurs were able to solve the problems they faced. There is no one formula for generating all of the right pieces of information that would lead an entrepreneur towards an answer about whether a particular opportunity can be developed into a successful business. Part of the creativity of entrepreneurship involves the unique ways that entrepreneurs develop solutions to the problems they face. Much like putting the pieces of a puzzle together, no entrepreneur is likely to go through exactly the same set of activities to start a business. Finding the pieces of the puzzle to assemble and identifying how the pieces go together is often a gestalt of activities involved with sifting through a lot of information. It often seems as if entrepreneurs "feel" their way through a morass of conflicting and confusing pieces of information towards a viable

venture solution. How did these entrepreneurs go about identifying the critical problems that developing their opportunities would involve? How did these entrepreneurs go about learning from their mistakes when they generated solutions to problems that were not successful? Seeing how other entrepreneurs have solved the feasibility puzzle should help you in your attempts at this process.

Inherent in every entrepreneurial situation is the need for action. Rather than assuming that an analysis of a situation will lead towards developing a correct solution to the development of a venture, the entrepreneur takes action that may result in the correct solution. It is worth referring to the articles on small wins to appreciate how actions generate solutions, rather than believing that knowing the solution will lead towards the right actions. In entrepreneurship, over analysis will lead to paralysis. There will never be enough information at one's disposal to determine whether an opportunity is guaranteed to be successful. Feasibility analysis is intrinsically about deciding on actions to move forward and then taking action towards one's vision of success. What should be the next step in the development of this venture? One might consider a feasibility analysis as a series of hypotheses about the future of an opportunity. What are the assumptions about the critical issues that will affect the success of this opportunity? How can these assumptions be tested? What actions will move the opportunity forward? If this action doesn't lead me closer to my goal, what have I learned, and what changes in my actions (or in my goals) should I make?

MODULE 5

ENTREPRENEURIAL MARKETING

PLAN FOR COMPLETING THE MODULE

1. Read the study guide section for this module
2. Do the assigned text and article readings
3. Do Exercises 5A – 5F in the study guide
4. Read web Theme 1 and do Exercise 5G
5. Do Application / Projects 5.1 and 5.2
6. Read web Theme 2 and do Exercise 5H
7. Read web Theme 3
8. Review the lesson synthesizer and extensions in the study guide

PERFORMANCE OBJECTIVES

After completing this module students will be able to:

- Understand the process of identifying and selling to the first customer
- Learn to forecast and expand sales from the first customer to a customer network
- Identify entrepreneurial marketing strategies and guerrilla tactics

OVERVIEW AND CRITICAL THEMES

The function of marketing in the development of an opportunity involves a number of interrelated tasks. The entrepreneur needs to identify potential customers who will likely purchase new products/services from a new organization and the entrepreneur needs to determine how these customers will be sold to. There are a number of questions to answer in order to solve those two tasks. How will potential customers be contacted? How will the transaction between the customers occur? How long does the "selling cycle (time from initial contact with a customer to when the customer actually pays for the products/services) take? Which channels of selling and distribution will be used between the new

organization and the customer? What characteristics of the products/services will a potential customer purchase at a price that generates profitability for the new organization? It would seem that the entrepreneur has many options for determining that correct mix of price, product, promotion, and distribution. Yet, many of these decisions are determined when an entrepreneur can actually coax a few customers to buy. The first customer, and those customers following the first customer will often set the standards for how the opportunity will be marketed.

Finding potential customers and getting these customers to purchase is a critical task. In many respects, an opportunity becomes viable only when customers pay for product/services. In principal, an ongoing concern requires cash flow from customer purchases in order to survive. Resources from investors will eventually be depleted without revenues from sales. The chapter in Dollinger (2003) and the readings provide a number of insights into how entrepreneurs determine the mix of marketing choices that might lead to a viable venture. It is very important to recognize the environmental and industry factors that influence the purchase behaviors of customers. How do customers in established industries make purchase decisions versus customers in emerging industries? Do new ventures selling to customers in established industries have different marketing strategies compared to new ventures selling to customers in new industries?

The determination of a marketing mix for an emerging company can be very complicated, particularly when an opportunity is pursued in an emerging industry. The focus of marketing in an entrepreneurial fashion involves learning from customers as quickly as possible. The entrepreneur seeks buyers, and learns from each buyer during the selling cycle. Entrepreneurial marketing involves "small wins." The entrepreneur expands the base of potential customers, one customer at a time, that is, entrepreneurs sell to one customer and, learning from that transaction, expand to customers similar to the "first buyer," learning from these transactions, expanding to "market segments," and finally, to an entire market. Each step requires continual learning and adaptation. Forecasting, in this sense, is an attempt at making "educated guesses" about the potential for sales in the future that will, by necessity, need to be modified as the entrepreneur comes in contact with more customers. Educated guesses are enhanced as the entrepreneur collects information from a variety of sources. The most important source of information appears to come from interviews of prospective customers.

Most entrepreneurs who are developing an opportunity will lack the substantial resources needed to market their products/services in the ways that established companies might utilize. An entrepreneur in the process of developing a fledgling opportunity may not have the resources for a substantial budget for advertising, publicity, sales promotions or a large sales force. Entrepreneurs will need to use the few resources available for marketing in innovative ways. "Guerrilla marketing" is a label for the kinds of tasks an entrepreneur might undertake to identify and sell to customers in an innovative and inexpensive way.

ASSIGNMENTS

Required Readings:

Gartner, William B. and Robert J. Thomas. (1993). "Factors Affecting New Product Forecasting Accuracy in New Firms." Journal of Product Innovation Management. 10 (1), pp. 35-52.

Dollinger, Marc J. (2003). Chapter 6 In Entrepreneurship: Strategies and Resource. Upper Saddle River, NJ: Prentice Hall.

Check the course web site for additional readings.

Exercises (non-graded)

- 5A) Read Chapter 6 in Dollinger. Identify proactive ways (i.e., entrepreneurs seek out and pursue customers) and reactive ways (i.e., customers become aware and seek out the entrepreneurs) that entrepreneurs can identify and sell to customers. In what industries would entrepreneurs be more likely to use proactive methods? In what industries would entrepreneurs be more likely to use reactive methods. What are the characteristics of the customers that each method is likely to be most appropriate for? Why?
- 5B) Which customer identification methods might be appropriate for the opportunity you are considering pursuing?
- 5C) What trade associations are associated with the opportunities you are interested in? When do these trade associations hold conventions or trade shows? What are the costs to become a member of the trade association, visit the trade show, and have a booth at the trade show?
- 5D) Read the Gartner and Thomas (1993) article. What kinds of methods can be used for estimating the potential sales that a new opportunity might generate? What methods seem to be inexpensive ways to generate accurate sales forecasts? What methods seem to be expensive ways to generate sales forecasts? What combination of methods seem to result in accurate forecasts? Is the accuracy of some forecasting methods dependent on the characteristics of the industry? Or the characteristics of potential customers? Or the distribution channels used?
- 5E) Which forecasting methods might be appropriate for the opportunity you are considering pursuing?

- 5F) Recall the entrepreneur interviews posted in Module 4. How did these entrepreneurs go about identifying and selling to their FIRST customers? How did these entrepreneurs go about identifying and selling to subsequent customers? How did these entrepreneurs go about forecasting sales for their first year of operation? How accurate were these entrepreneurs in their sales forecasts? What seemed to influence the accuracy of their sales forecasts?

Applications/Projects (graded)

- 5.1) **Identifying Potential Customers.** Write a two-page paper that explores the ways that the entrepreneurs presented on the web found customers willing to buy their products/services and the ways that these entrepreneurs went about forecasting sales for their proposed new ventures. The first page should explore techniques for identifying and selling to new customers. The second page should explore different ways that entrepreneurs used to estimate demand for their products/services.

See the course web site for details on this assignment.

- 5.2) **Ten Strangers (Potential Customers).** The purpose of the stranger contacts for this week is to explore why, how, and when people are willing to purchase products/services from new ventures. It is important to realize that you will need to talk to individuals about their experiences of the "doubleness of the new:" buying new products/services from new companies. It is important that you keep a log of the contacts that you meet. Provide a name and contact information (address, phone number, email) for each stranger. Why did you contact this stranger? What benefits were you hoping to offer this stranger? What benefits were you hoping this stranger would offer you? What other contacts was this stranger able to offer you to help you achieve your goals? This log will be a part of a portfolio of accomplishments that will be submitted for Module 8. See Module 8 for details.

For those students who have identified an opportunity, this week's stranger's exercise should focus on individuals who are willing to purchase products/services similar to the opportunity you are considering. What are the characteristics of these customers? Why are they willing to take chances on the double newness of a new product/service and a new company?

For those students who are continuing to search for opportunities to pursue, this week's strangers exercise should focus on talking to any individuals who have purchased new products/services from new companies. Are there similarities among these individuals? Are there similarities in the kinds of companies and industries that these buyers come from? Why are these individuals willing to buy from a new company?

See the course web site for details on this assignment.

LESSON SYNTHESIZER AND EXTENSIONS/CHALLENGES

Marketing choices involve many interrelated and interdependent actions. As an opportunity is developed, an entrepreneur must make decisions about pricing, distribution, and promotional campaigns as well as determine the characteristics of the product/service that customers are willing to buy. Identifying and selling to the first customer is critical to the development of an opportunity. Entrepreneurs learn from each customer who purchases product/services from the new venture.

Most entrepreneurial activities require "resource parsimony," that is, entrepreneurs have to "do more, with less." Entrepreneurs need to utilize creative ways to find customers and sell to them. Guerrilla marketing offers some insights into how entrepreneurs can market their products/services in a cost effective manner.

One concept that academics use to describe the difficulties that entrepreneurs encounter when starting a new venture is called, "the liability of newness." The term, "liability of newness" implies that new ventures are more likely to fail because "being new" appears to have some fundamental disadvantages in the marketplace. Customers will be unfamiliar with new products and services, so there might be training costs associated with purchasing from a new firm that customers might not want to undertake. Customers will be unfamiliar with the new company, so there may be significant doubts about the new venture's ability to deliver products/services at a specific price with the necessary features and benefits. A new company may also have difficulties establishing the processes and procedures to make products or deliver services in a reasonable time frame, or at a reasonable cost. Most customers, are therefore, wary of purchasing new products/services from new companies, hence, the liability of newness is a problem that entrepreneurs need creative ways of surmounting.

It would be valuable to consider ways that entrepreneurs generate trust with prospective customers. How do entrepreneurs indicate that their new firms can reliably deliver products/services at a reasonable cost within a certain time frame? How did new companies develop trust when you purchased a new product/service? What kinds of "signals" did these new companies display that enabled you to believe you could buy from them? What resources are involved that will enable an entrepreneur to be trustworthy to prospective customers?

MODULE 6

ENTREPRENEURIAL FINANCE

PLAN FOR COMPLETING THE MODULE

1. Read the study guide section for this module
2. Do the assigned text and article readings
3. Do Exercises 6A – 6F in the study guide
4. Read web Theme 1 and do Exercise 6G
5. Do Application / Projects 6.1 and 6.2
6. Read web Theme 2 and do Exercise 6H
7. Read web Theme 3 and Theme 4
8. Review the lesson synthesizer and extensions in the study guide

PERFORMANCE OBJECTIVES

After completing this module students will be able to:

- Identify the kinds of resources required for venture development
- Determine financing needs
- Identify money sources
- Estimate cash flow requirements
- Learn steps for approaching investors
- Structure the deal
- Identify legal and tax issues

OVERVIEW AND CRITICAL THEMES

The task of financing in new venture creation is typically viewed as the problem of identifying the resources needed, finding investors with funds, and structuring an appropriate deal to match the

investor's goals to the proposed venture's resource needs. Financing a new venture often requires a great deal of effort because much of this effort involves "concretizing" the opportunity. The entrepreneur has to identify all of the specific resources needed to bring the venture into existence. The business opportunity begins to take shape as the resources are specifically identified to realize the venture. Once these resources are identified, monetary determinations are needed to put dollar value estimates of the costs of acquiring these resources. And, once the resources are identified and dollar estimates of the costs of acquisition are generated, the resources then, need to be acquired. How these resources are acquired, and at what cost (to the venture and to the entrepreneur) often determines whether an entrepreneur will benefit from pursuing an opportunity.

Chapters 7 and 8 in Dollinger provide a good overview of all of the factors an entrepreneur needs to recognize in determining: the financial needs of a new venture; the sources for meeting these financial needs; the structure of the deals to acquire financing; and many of the legal and tax issues that impact the financing process.

The online cases provide an opportunity to compare and contrast various ways that entrepreneurs acquire resources to pursue an opportunity. It is worth noting that the resource acquisition process is very dynamic. The value of a resource at one stage of the venture development process might seem critical and expensive, while, as the venture progresses, resource might seem to have been acquired at an inflated price. How entrepreneurs go about bargaining for resources is an important issue to explore. How the value of a specific resource changes over time is important to recognize, as well.

The web provides numerous sites for financing planning and forecasting, opportunities to meet prospective investors, and view successful financial deals for new ventures. The sites provided in this module are representative of some of the best sites for financing new ventures, though it is likely that students will find other sites and resources that might be more appropriate for the financing needs for particular types of opportunities. Be assured that the web is a wonderful resource for finding financing for new venture startups.

ASSIGNMENTS

Required Readings

Dollinger, Marc J. (2003). Chapters 7 and 8 In Entrepreneurship: Strategies and Resource. Upper Saddle River, NJ: Prentice Hall.

Exercises (non-graded)

- 6A) Read Chapter 7 in Dollinger. Identify the sources of financing available for new venture creation. What are the benefits and problems of raising start-up capital from private investors? What are the benefits and problems of raising start-up capital from public investors?
- 6B) Identify different ways to place a value on a new venture. How appropriate are these valuation methods for valuing a: new restaurant, a new computer software and services company, a new business manufacturing medical equipment, an Internet retail startup?
- 6C) Which sources of financing might be appropriate for the opportunity you are considering pursuing? How much financing will the development of your opportunity require? This week? Next month? Next year?
- 6E) How will you determine the value of your opportunity? How much is the opportunity worth: Today? Next week? Next month? Next year? In five years? What factors will affect the value of the company at each time period?
- 6F) Read Chapter 8 in Dollinger. Identify different types of investors and offer reasons they are likely to invest in business opportunities. How are different kinds of investors approached? What kinds of deals are these different types of investors likely to want? What kinds of exit strategies or "harvest strategies" are these different types of investors likely to want?
- 6G) What kinds of investors might be appropriate for the opportunity you are pursuing? Will the types of investors change as the development of your opportunity changes? What kinds of exit strategies are appropriate for investors for your opportunity?

Applications/Projects (graded)

- 6.1) **Identifying and Determining Resources Needed for Venture Creation.** Write a two-page paper that explores the ways that entrepreneurs presented on the web site found the resources necessary to develop their business opportunities. This first page should explore what kinds of resources were necessary for venture creation. The second page should explore what each entrepreneur had to "give up" in order to acquire these resources. What kind of "deal" did each entrepreneur have to make with various resource providers?

See the course web site for details on this assignment.

6.2) **Ten Strangers (Potential Investors).** The purpose of the stranger contacts for this week is to explore why, how, and when people are willing to invest in new ventures. It is important to find individuals who have invested in startup companies. Please try to find individuals who have invested funds in opportunities near to the inception of the business, rather than investors who have provided funds to businesses that have been in existence for a year, or longer. It is important that you keep a log of the contacts you meet. Provide a name and contact information (address, phone number, email) for each stranger. Why did you contact this stranger? What benefits were you hoping to offer this stranger? What benefits were you hoping this stranger would offer you? What other contacts was this stranger able to offer you to help you achieve your goals? This log will be a part of a portfolio of accomplishments that will be submitted for Module 8. See Module 8 for details.

For those students who have identified an opportunity, this week's stranger's exercise should focus on finding investors who have made investments in opportunities similar to the opportunity you are considering. What are the characteristics of these investors? Why are they willing to invest in these kinds of opportunities?

For those students who are continuing to search for opportunities to pursue, this week's strangers exercise should focus on talking to any individuals who have invested in business opportunities in the past year. Are there similarities among these individuals? Are there similarities in the kinds of business opportunities these individuals are willing to invest in?

See the course web site for details on this assignment.

LESSON SYNTHESIZER AND EXTENSIONS/CHALLENGES

In financing a new venture, entrepreneurs are faced with determining the specific assets (resources) that an opportunity will require to come into existence. After undertaking efforts to identify the financing needs for a venture, it is important to recognize that resources needed to develop new ventures are not always dollars. While the task of financing involves determining specific monetary costs for specific resources, creative entrepreneurs need to look beyond the dollars that may be needed to purchase this asset and see how a resource might be acquired in different ways. In many businesses, the resources required for success are often intellectual and technological, where a determination of the financial value of these resources has not been attempted. For example, the primary resource for a computer software development startup might be the employment of software programmers. The acquisition of this resource may be less a factor about the initial monetary incentives offered (salary and benefits), and more a factor about providing a vision of the future likelihood of growth and success (interesting work, interesting colleagues, and stock options). Resources are acquired from others based on the resource providers'

assumptions about the value of these resources. Entrepreneurs see value in resources that most owners of resources don't. The genius of success in entrepreneurship is often this ability to see value in a resource that others can't. Knowing how to acquire the resource in a way that provides a gain to the entrepreneur, rather than to the resource provider, is where skills in negotiating and deal making are critical. Who gains from the pursuit of an opportunity (e.g., the entrepreneur, the investors, employees, customers, suppliers) is often determined in how the entrepreneur bargains to acquire resources. In many new ventures, the entrepreneurs gain little from the success and growth of the firm, while others reap the majority of the awards. Skills at structuring the deal for financing is critical for reaping the benefits of developing an opportunity. Otherwise, the majority of gains are likely to go to the investors.

In looking over all of the financial deals described in the articles, cases, readings, and IPOs, how were the benefits of these deals shared among the various parties? Please consider benefits as more than shares of stock in a company. What resources did each venture require? Who provided each resource and what kinds of benefits did each resource provider obtain? In what kinds of ventures do different resource providers gain proportionally more benefits from their "investments"?

MODULE 7

ENTREPRENEURIAL ALTERNATIVES TO INDEPENDENT STARTUP

PLAN FOR COMPLETING THE MODULE

1. Read the study guide section for this module
2. Do the assigned text and article readings
3. Do Exercises 7A – 7E in the study guide
4. Read web Theme 1 and do Exercise 7F
5. Do Application / Projects 7.1 and 7.2
6. Read web Theme 2 and do Exercises 7G and 7H
7. Review the lesson synthesizer and extensions in the study guide

PERFORMANCE OBJECTIVES

After completing this module students will be able to:

- Understand differences between corporate and independent entrepreneurship
- Identify paths to opportunity development through franchising
- Explore processes for purchasing a business
- Explore aspects of exit and harvest strategies

OVERVIEW AND CRITICAL THEMES

Opportunities can be exploited in variety of ways. The creation of an independent venture is probably the "purest" way to exploit an opportunity. Ideally, an entrepreneur is unencumbered by the constraints of a corporate hierarchy or the structure and processes of other businesses, so that new innovations can be freely implemented through the development of a new firm. In many situations, the context and support of an ongoing organizational structure (via corporate entrepreneurship), or the framework of a successful

business format (via franchising), or the modification of an existing business (via purchase of a business), might be more viable paths for entrepreneurial success.

This module covers three ways to exploit opportunities that are not focused on the creation of an independent new venture: corporate entrepreneurship (or intrapreneurship), franchising, and purchase. Chapter 10 in Dollinger offers a comprehensive overview of the costs and benefits of pursuing opportunities through corporate entrepreneurship and strategic alliances as well as valuable theoretical and practical insights into the benefits of franchising.

The online readings and sites provide a wealth of information on the strengths and weaknesses of franchising. You will have a number of opportunities to explore various franchise opportunities and determine whether the franchise format might be a mode worth using for exploiting opportunities you are interested in.

We will also explore the benefits of purchasing a business as a way to pursue one's entrepreneurial interests. On the other side of the table, we will consider how entrepreneurs exit their businesses by selling them. We will investigate whether entrepreneurs should have a strategy for "harvesting" their opportunities beyond the creation of their firms. Exploring how one set of entrepreneurs purchase businesses as a pathway for opportunity provides insights into how another set of entrepreneurs sell businesses as a pathway to harvest their opportunities. The market for the purchase and sale of businesses is an intriguing environment for valuing opportunities and how these opportunities have been (or might be) actualized.

ASSIGNMENTS

Required Readings

Dollinger, Marc. J. (2003). Chapter 10 in Entrepreneurship: Strategies and Resources. Upper Saddle River, NJ: Prentice Hall.

Exercises (non-graded)

7A) Read Chapter 10 in Dollinger. Identify the characteristics that differentiate between corporate and independent entrepreneurship. In what industries is corporate entrepreneurship a successful way to develop opportunities compared to starting an independent business? What are the benefits of corporate entrepreneurship compared to independent entrepreneurship? What are the difficulties of corporate entrepreneurship compared to independent entrepreneurship?

- 7B) Could you pursue the kinds of opportunities you are developing in your current job or in your current organization? What factors hinder you? What factors might benefit you? Are there other organizations that might be appropriate for pursuing the kinds of opportunities you are developing?
- 7C) Identify ways that entrepreneurs develop relationships in Dollinger (Chapter 10). Under what circumstances would each kind of alliance or partnership type be beneficial or not? Do you have evidence from your contacts with strangers during this course about the benefits and problems that different types of alliances and partnerships would bring to a new relationship?
- 7D) Identify the characteristics of a business that can be franchised in Dollinger (Chapter 10). What should a franchisee look for in evaluating a franchise opportunity?
- 7E) Could you pursue the kinds of opportunities you are developing through a franchise? Are there franchises available that exploit opportunities similar to your ideas? What advantages would the franchise format offer you? What disadvantages would the franchise format offer you?

Applications/Projects (graded)

- 7.1) **Exploiting Opportunities by Franchising** Write a two-page paper that compares and contrasts the five franchise opportunities presented on the web site. What kinds of resources are necessary to participate in these five franchise opportunities? What are the up-front costs involved with pursuing each franchise? What are the ongoing costs for each franchise? What are the capabilities of the entrepreneurs these franchises seek? What are the advantages that each franchise promotes? What are the advantages of a franchisor that is small and new, versus a franchisor that is large and established? What kinds of help and support does each franchisor offer? Of the five franchises analyzed, which franchise seems to be better than the others? Why? Submit this paper to the instructor.

See the course web site for details on this assignment.

- 7.2) **Ten Strangers (Franchisers, Sellers, Venture Enablers).** This is the last time you will need to find strangers for this course. Hooray!

The purpose of the stranger contacts for this week is to identify a wide variety of people who might be of assistance in helping you develop your opportunities. The kinds of people that you might want to meet include accountants and lawyers who are helping entrepreneurs develop businesses. In addition, you should consider finding individuals who are offering franchising opportunities or are selling businesses (business brokers). It is important that you keep a log of

the contacts you meet. Provide a name and contact information (address, phone number, email) for each stranger. Why did you contact this stranger? What benefits were you hoping to offer this stranger? What benefits were you hoping this stranger would offer you? What other contacts was this stranger able to offer you to help you achieve your goals? This log will be a part of a portfolio of accomplishments that will be submitted for Module 8. See Module 8 for details.

For those students who have identified an opportunity, this week's stranger's exercise should focus on finding individuals who have helped entrepreneurs with opportunities similar to the opportunity you are considering. What are the characteristics of these venture enablers? Why are they willing to become involved in these kinds of opportunities?

For those students who are continuing to search for opportunities to pursue, this week's strangers exercise should focus on talking to any individuals who are involved in helping entrepreneurs with business opportunities in the past year. Are there similarities among these individuals? Are there similarities in the kinds of business opportunities these individuals are willing to become involved in?

See the course web site for details on this assignment.

LESSON SYNTHESIZER AND EXTENSIONS/CHALLENGES

This module explores other methods for exploiting opportunities that do not focus on independent business startup. Corporate entrepreneurship involves the pursuit of opportunities within the context of an existing organization. Corporate entrepreneurs are employees that pursue opportunities for the benefit of the companies they work for. Corporate entrepreneurs enjoy the help of corporate support and the organization's established networks of suppliers and customers, and in some circumstances, the opportunity to enjoy some of the upside potential of the business through profit sharing and stock options. Corporate entrepreneurs may have the advantage of making mistakes while being paid. Franchising is another hybrid form of exploiting opportunities where the franchisor provides certain forms of assistance and guidance and the franchisee provides management talent, expertise, and the ability to monitor the growth of an opportunity. Both sides benefit from their collaboration.

A very important idea Dollinger explores, is the problem of "agency". The agency problem involves the inherent risks between individuals when ownership and control are separated. When entrepreneurs are the owners of the business, as well as the managers of the business, they have complete control over their businesses operations. There is no agency problem. What happens when owners of a business let others (agents or managers) control aspects of a business? In many respects the issues involved in organization theory, in regards to the development of hierarchies and control processes in organizations

are ways that owners seek to control the behaviors of managers and employees. In franchising, we see another way that owners can control the expansion of their business. Franchises offer a format for guiding others to act and behave in specific ways (i.e., a hamburger franchise offers direction for preparing and serving hamburgers in a consistent way), while also rewarding franchisees for taking initiative and effort to expand the business within these constraints.

The "agency problem" is an issue that is inherent in entrepreneurship, not only in franchising. Entrepreneurs are "agents" for many individuals who are involved in the development of an opportunity. For example, entrepreneurs are the agents of investors. Investors have ownership rights to the new business, yet they depend on the entrepreneur's actions, skills and initiative to generate gains. Some of the issues involved with how entrepreneurs and other individuals share in the control of the development of an opportunity, as well as share in the gains that the exploitation of an opportunity may provide, is discussed in the section in Dollinger on networks and alliances. It is well worth reconsidering previous discussions about how entrepreneurs develop trust within their network of relationships when developing an opportunity. In addition, how do entrepreneurs go about controlling others and monitoring their performance as the venture evolves? What happens when trust fails? What other sources of control does an entrepreneur have? Once an investment is made, what are the sources of control that an investor might have over an entrepreneur?

MODULE 8

THE ENTREPRENEURIAL LIFE AND ORGANIZATION

PLAN FOR COMPLETING THE MODULE

1. Read the study guide section for this module
 2. Do the assigned text and article readings
 3. Do Exercises 8A – 8D in the study guide
 4. Read web Theme 1 and do Exercise 8E and 8F
 5. Read web Theme 2 and do Exercises 8G
 6. Do Application / Projects 8.1
1. Review the lesson synthesizer and extensions in the study guide

PERFORMANCE OBJECTIVES

After completing this module students will be able to:

- Identify the characteristics of successful management teams
- Identify the characteristics of successful entrepreneurial cultures, ethics, values, and practices
- Explore aspects of managing the emerging firm
- Summarize and Analyze the Opportunity Recognition and Development Process

OVERVIEW AND CRITICAL THEMES

This module focuses two different themes: (1) the issues involved with how individuals build entrepreneurial organizations, and, (2) the challenges that each student faced during the course to identify and pursue opportunities.

The chapter in Dollinger and the online readings explore the characteristics of managing and growing

new ventures. The qualifications of top management teams are described and ways to attract these individuals are identified. Strategies for recruiting and retaining key employees are discussed. In addition, we look at some of the ethical issues that an entrepreneur is likely to encounter when starting and managing the growth of a new venture.

Each student will complete the requirements for this course by submitting a portfolio that describes and evaluates the efforts undertaken to identify and pursue opportunities. The portfolio should demonstrate a thorough understanding of the concepts covered in this course, and offer evidence of each student's knowledge, thoughtfulness and insights, in writing, about how the course has been of impact

ASSIGNMENTS

Required Readings

Dollinger, Marc. J. (2003). Chapter 9 in Entrepreneurship: Strategies and Resources. Upper Saddle River, NJ: Prentice Hall.

Check the course web site for additional readings.

Exercises (non-graded)

- 8A) Read Chapter 9 in Dollinger. Identify the characteristics of a successful top management team. How are team members selected and retained? What leadership styles are appropriate for entrepreneurs in new and growing organizations? Do different kinds of organizations require different kinds of leaders? Are the skills and insights needed for founding an organization the same kinds of skills and insights needed to manage and grow a business? What kinds of individuals would make for good members of a Board of Directors?
- 8B) What would be the skills and abilities need for the first employee you might want to hire for the opportunity you are considering pursuing? What would be the skills and abilities needed for the first five employees you might want to hire for the opportunity you are considering pursuing? What are the skills and abilities needed for people that you might want to have serve on a Board of Directors, or a Board of Advisors for your new firm?
- 8C) Identify the characteristics of entrepreneurial companies in Dollinger. How are entrepreneurial companies different from other kinds of companies? Can an organization always be entrepreneurial? How can an entrepreneurial company select, train, and retain employees?

What kinds of ethical issues are entrepreneurs likely to face in starting, managing and growing a new firm?

- 8D) What would be characteristics of the ideal organization you would like to start, manage, and grow? What would be the characteristics of the kinds of employees you would like to work with? What kinds of ethical dilemmas are you likely to face in developing your opportunity?

Applications/Projects (graded)

- 8.1) **The Summary Project** The purpose of the Summary Project is to demonstrate a thorough understanding of the concepts we have covered in this course, and to specifically apply your knowledge, thoughtfulness and insights, in writing, to describing how the course has impacted you. Please draw on, illustrate, cite and integrate from the following sources: the book and readings; discussions; the entrepreneur interview; the online cases, readings and exercises; the strangers; and your own experiences, thinking and insights.

During the course each student has explored opportunities that might be pursued and developed into a viable business. The primary way that opportunities were identified and explored was through meeting "strangers" (or weak ties - new acquaintances that might be helpful for enabling an entrepreneur to start a business). The Summary Project provides documentation of the information gained during these efforts to pursue and develop opportunities, as well as a chance to analyze and evaluate the kinds of knowledge and skills gained from these experiences.

The format for the Summary Project will consist of a portfolio of different topics that demonstrate the student can:

- Identify an opportunity or opportunities in an industry or industries of interest to the student
- Compare and contrast various approaches to developing opportunities in a specific industry or industries of interest to the student
- Identify and describe how successful entrepreneurs have evaluated and pursued opportunities of interest to the student
- Identify and describe "first customers" in industries of interest to the student
- Identify and describe sources of financing in an industry of interest to the student
- Identify and describe the process of how successful entrepreneurs have created organizations in industries of interest to the student

- Provide an analysis of the factors that would influence whether a student would pursue an opportunity based on the information presented in previous sections of the portfolio
- Identify and develop contacts with a network of entrepreneurs, experts, customers, suppliers, competitors, and venture enablers in a specific industry of interest to the student

The Summary Project will be divided into the following sections:

Opportunities

This section of the portfolio will describe the kinds of opportunities you considered during the course. Identify the opportunity or opportunities you considered. Why did you pursue this opportunity, or opportunities? What did you learn from other entrepreneurs about how they found their opportunities? (See the Section: Appendix, for how to reference individuals you contacted during the course.) What seem to be the critical factors that will determine whether the opportunity, or opportunities, you identified can be successfully developed?

Customers

Were you able to find individuals who thought that the opportunity you were pursuing would be of benefit to them? What kinds of benefits did these individuals see in the opportunity you presented them with? What seem to be some of the characteristics of the potential customers who were the most interested in your opportunity? Develop a customer profile for the first buyers of the product/service you might offer.

For students who did not identify a specific opportunity: What kinds of individuals seem to be interested in purchasing new products/services from new companies? Develop a profile describing the characteristics of these potential customers.

Resources

Identify the kinds of resources needed to pursue the opportunity (or opportunities) you are considering. What individuals or organizations have these resources? What kinds of benefits would you need to offer them in order to acquire these resources?

Organizing

Describe how other individuals developed opportunities similar to the opportunity (or opportunities) you are considering. What actions did these individuals take? How long did it take these individuals to develop a business? What was the sequence of actions these individuals undertook? What kinds of problems did these entrepreneurs encounter during the opportunity

development process? How did they solve these problems? What similarities and differences do you find among the entrepreneurs you interviewed?

Evaluation

The purpose of this section is to explore how each student can identify and design a path for success as an entrepreneur. What will you need to do in order to pursue the opportunity (or opportunities) you are interested in? Describe the kinds of actions you will need to take as well as the resources you believe will be necessary. Offer a logic for why these actions and resources are necessary based on the materials presented in previous sections.

Appendices

Submit materials that document the activities you undertook to pursue opportunities during the course. One section of the Appendices should be a list of the individuals you contacted during the course -- your list of strangers.

Stranger Appendix. The heading for this section should be "Strangers." List all of your strangers alphabetically, from "A to Z." Each stranger should be identified as follows:

Last Name, First Name. Contact Information (address, phone number, email).

Provide a short paragraph about your interaction with this stranger. Why did you contact this stranger? What benefits were you hoping to offer this stranger? What benefits were you hoping this stranger would offer you? What other contacts did this stranger provide? And, please provide any other information or insights about this contact. You might also offer a reference to other materials in the Appendices that this stranger provided.

When referencing a "stranger" in the written text of the paper, use the following format:

(Last Name: STR)

Submit this portfolio to the instructor.

In addition, the class will discuss the following questions: What does it mean to be entrepreneurial? In what ways have you seen entrepreneurial activity in your network of "strangers?" What have been the major insights that you have learned from your network of "strangers?" What seem to be the primary paths to success for entrepreneurs from your network of "strangers?"

APPENDIX 1

AUTHOR BIOGRAPHY

William B. Gartner

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Henry W. Simonsen Chair in Entrepreneurship at the University of Southern California

Dr. William B. Gartner is a leading authority on entrepreneurship, new venture development, and the problems of emerging organizations. He is one of the top 10 scholars in the entrepreneurship field¹, and he has been listed as the most cited author in entrepreneurship for academic articles written since 1986.² He has won awards for his research from the Academy of Management and Entrepreneurship: Theory and Practice.

Professor Gartner serves on the Executive Committee of the Entrepreneurship Research Consortium (ERC), a group of 30 universities and foundations involved in the development of a national longitudinal database of nascent entrepreneurs who are in the process of starting companies. Professor Gartner's research on nascent entrepreneurs explores how they: find and identify opportunities, recognize and solve startup problems, and undertake actions to successfully launch a new venture.

In addition, Professor Gartner is currently studying how neighborhood "climate" (e.g., public safety, transportation, neighborhood appearance, and governmental licensing and permit processes) affects the growth and success of new and small businesses in Southern California. He is also involved in efforts to streamline the licensing and permit processes for small businesses at the city and county level.

Prior to joining USC he was on the faculty at Georgetown University, the University of Virginia and San Francisco State University. Professor Gartner completed his doctoral work, received his M.B.A., and his B. A. from the University of Washington.

¹ Shane, S. A. (1997). "Who is Publishing the Entrepreneurship Research?" Journal of Management 23: 83-95

² Ratnatunga, J. and Romano, C. (1997). "A Citation Classics' Analysis of Articles in Contemporary Small Enterprise Research." Journal of Business Venturing 12: 197-212.

APPENDIX 2

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