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A First Course in Entrepreneurship Fundamentals, Part I

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A First Course in Entrepreneurship Fundamentals, Part One

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Abstract.

This two-part article offers ideas for teaching students who are interested in entrepreneurship but unprepared for the widely-taught business plan course. Their lack of preparation is due less to a lack of business knowledge than it is to an awareness of their life and career needs and of the realities of entrepreneurial careers. Course content ideas are presented to help these students develop competencies in four areas: self-understanding, knowledge of entrepreneurial careers, a realistic sense of what ventures would work for them, and business-relevant creativity.

Many students are interested in entrepreneurship, and so enroll in courses in the subject, but they lack either a realistic feel for what entrepreneurs do or a clear sense of what businesses they want to start. They aren't ready for a business plan course. Nor do typical textbooks help much, because these texts focus on business fundamentals. These are certainly important. But these students need another foundation, of discovering their personal self-employment potential. Can we serve these students' needs? Can we help them understand entrepreneurship as the vehicle to a career that fits their individual needs? I believe we can; more strongly, that we can help them see how entrepreneurship can be a calling, a vocation, not only a career.

If students are to find the entrepreneurial path that best suits them, they need help with four competencies, of which the first three are fundamental: (1) self-understanding, (2) awareness of the careers and development of real entrepreneurs, and (3) a sense of what venture would really work for them. The fourth competency, which requires the first three as a foundation, is business-relevant creativity. I will explain what I mean by these, why they are critical, and how I attempt to develop them in the classroom. Part One covers the first two

competencies and Part Two, in the next issue of this journal, covers competencies three and four.

Competency One: Self-understanding. Most of us have a hard time saying what career would most deeply fulfill us. We lack role models or at least enough of them; we aren't comfortable with introspection; we try to please parents, teachers and others and won't admit even to ourselves what we really want. These might not apply as much to mature students, in which case they can perhaps skip this first step. For others it's crucial. As it's the most unusual of these competencies to include in entrepreneurship I pay it the most attention.

Why? I suggest one common sense reason and two from research. The first reason is that entrepreneurship takes a lot of work and persistence. Persisting on work when you are in your element is a whole lot more likely than when you are not. Second, entrepreneurs have been found to be more effective when they experience positive affect or emotional states. Third, they are more effective when they have unique or idiosyncratic knowledge. What's the best way to gain this knowledge? With time we've spent on our passions.

How can we help to develop this competency? I've tried several resources and will keep looking. Here are suggestions of resources I like, from which you may find the right ones for your contexts. Books with a career choice focus are easy to find on Amazon: typing in the titles for Bolles, Christen and Blomquist (2006) or Lore (2008) will bring up many others. These particular books are aimed at younger college age readers. A more general reading you might like is a short book called "The Element" (Robinson, 2009). It lacks the self-tests or entrepreneurial focus of other books but reads well. So too does Grace Bulger's (2002) *The Enlightened Entrepreneur*. Her book is out of print and works best with female or arts students. You might find good parts in it to include in your class.

Students often like readily done self-tests, and there are a few I've used that are specific to entrepreneurship. A tough-minded test is the questions in an article from *Harvard Business*

Review by Walter Kuemmerle (2002). It poses the question of whether you're really ready for the entrepreneurial challenge. Jack Miner's (1996) *4 Routes To Entrepreneurial Success* is an easily digested book about four types of entrepreneurs. It offers an easily administered self-test and is helpful for overcoming the myth that there is one type of entrepreneur (the Type A, always charging type). Finally, Rhonda Abrams' (2004) *What Business Should I Start* includes an easily administered test that (unlike Miner's) seems to lack a scientific basis but that nonetheless seems to have face validity with its results.

Another book that has gone out of print but is easy to find and cheap is Shapiro and Stevenson's (2005) *Make Your Own Luck*. This is an excellent resource *if and only if* it is actively used. Its purpose is to develop clarity and rationality in setting goals, and developing broad-brush plans for how to get there. Its language is sometimes peculiar, especially with the crucial concepts of "Lead Dog" (the desired future state you're focusing on) and the "It" (the key actions you're betting on to get you there). So it requires some explanation. It's also helpful to show (with permission) examples of prior students' plans. To my surprise, students told me that they also found it helpful when I went over my own *MYOL* plan. I think it worked, despite the differences in our life stages, because it showed examples of details that render these plans actually useful. This approach could apply to other such exercises.

Further, I have students write a self-assessment in which they analyze themselves on a number of dimensions, and spell out their evidence for their self-characterizations. Evidence doesn't have to be complicated. In the hypothetical example in the matrix below, the evidence for a fear of failure is enrolling in easier classes than could have been handled.

Competency Two: Understanding the entrepreneurial career. The self-evaluation matrix also asks students which characteristics are well suited to their venture, and how they could develop in the areas where they are still lacking. That is, this assignment is not just a self-assessment but also a self-assessment in the context of comparison with a potential

role model entrepreneur. Some of this can be done by thinking through the job the entrepreneur has to perform in the business they care about. But it is much better again with an understanding of real entrepreneurial careers. What I mean here is obvious enough but there are two not-so-obvious aspects. One is an appreciation for the development process over the lifetime by those entrepreneurs who entered and mastered the sort of business of interest. This cannot be achieved with only current recollections of practitioners, who (like all of us) fail to remember all of their challenges, epiphanies, mentors, lucky and unlucky breaks, and so on. The other less obvious aspect is figuring out which entrepreneurs a particular student can best learn from. Trying to find this match requires that we expose our students to a wide variety of potential role models.

Why does understanding actual entrepreneurial careers matter? Here are three reasons. Learning about real life patterns disabuses the students of misconceptions, including misconceptions that generate fear of trying. Students come to realize that nobody, not even the greatest entrepreneur, starts out as a master; that there is no one model of entrepreneur; that your parents don't have to be wealthy. Real entrepreneurial careers also offer inspiration. Interaction with entrepreneurs is the most motivating part of a course. Moreover, learning from real entrepreneurs offers practical lessons – for example, finding mentors is crucial; cash flow planning does matter – that no single instructor can know or present with equal credibility.

How can our courses do this? Class visits, of course, especially with a wide range of guests on many dimensions (age, sex, ethnicity, etc.). If we have few guests their visits can take all of a class; if we have many the visits need not be so lengthy. Opportunities to meet potential mentors are similarly valuable, especially if we prep students on how to interact in networking opportunities. Highly recommended are visits to the annual Collegiate Entrepreneurs Organization conference, which brings in many practicing entrepreneurs for students to meet and to learn from. Lastly, biographies of entrepreneurs can have lasting impacts. One problem I

find is that if we have students present them we use too much class time. Another problem that can be surmounted is that many autobiographies and biographies fail to cover the challenges, mistakes and learning over time. I have spent time preparing a list of sixty-odd good biographies, with a wide range of entrepreneurs, that I you can download from the NACCE website. (My list is thin on Latinos – perhaps you can help me here.)

In Part Two we will explore the third competency (finding the right and real venture an individual) and the fourth (business-relevant creativity). We will also consider how to structure the assignments if more entrepreneurially-developed students also enroll along with the novices.

Example to show what is meant by the self-assessment:

Aspects of Person	Your Characteristics	Evidence
Anxieties and fears	Fear of failure	took easier classes than could have
Hopes, dreams, aspirations	Respect and giving back to community	Shapiro and Stevenson
Network, role models, supporters	successful grandparent: helps but I feel pressure	discussion with sibling
Passions, pleasures, interests*	helping customers; dislike administration	past part time jobs
Sources of self-worth	respect from community and family	high school and church activities; reading by Kawasaki
Strengths	Hard working, learn from mistakes	many jobs, discussion with sibling
Trends, trajectory, learning	becoming more confident and fear failure less	reflection on class guest; questions from Bulger
Values & core beliefs	family, golden rule	upbringing, faith, questions from Bulger
Weaknesses	paperwork, procrastination	late assignments tend to be busy work; work history
* "Passions" etc. includes the negative		
<i>Comparison with entrepreneur</i>	Ideal for Venture	Your Own Fit
Anxieties and fears	not afraid of failure	need to team up and reduce risk
Hopes, dreams, aspirations	Community fit is important for this type of business	very good
Network, role models, supporters	Need for some startup capital	good
Passions, pleasures, interests*	Need for both helping customers and administration	as above: need for team
Sources of self-worth	Community fit is important	very good
Strengths	sweat equity, flexibility	very good
Trends, trajectory, learning	not afraid of making mistakes	trend is good
Values & core beliefs	Can fit: attracts better team and serves customers	very good if needs of business also respected
Weaknesses	someone needs to do the administrative work	need to team up with more administrative type

Resources

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