

**RISKS &
REWARDS**
Of Entrepreneurship

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Of Entrepreneurship

**(Permission is granted in advance
to print copies of this product
for use in the classroom)**

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Introduction

What does it take to become an entrepreneur? If you are like most people, you probably think of the skills necessary to run a business, such as record-keeping, employee management, and inventory control. These skills are important, but they are not the only factors necessary. Personal characteristics also influence one's success as a small business owner.

Risks & Rewards of Entrepreneurship has been developed to help students examine their personal characteristics that influence their suitability for small business ownership. By completing this module, students will be able to determine their self-employment potential and develop a personal plan of action for entrepreneurship. This module is attitude building rather than knowledge building. Although not all students wish to pursue small business ownership at this time, they may find it beneficial in making career plans.

Background

This text-workbook and teacher's resource guide evolved from the need for instructional materials to introduce students to the possibility of small business ownership. They are also useful teaching tools for teachers who wish to introduce entrepreneurship but are unfamiliar with the subject matter.

Why should you teach entrepreneurship? According to the 1980 U.S. census, 84 percent of the business in the U.S. employed 19 people or less. Those businesses supply the lion's share of new jobs in our economy and are the first employers of most young people.

Vocational education has traditionally prepared students for jobs. Yet, it has not realized its potential to prepare people for self-employment and business ownership, despite some of the strong programs that have been offered in vocational agriculture, marketing education, and other areas. Realistically, we must recognize that entrepreneurship will be the end goal for some but not all students.

Research also shows that most entrepreneurial ventures of substantial scope are undertaken after age 25. But, if we are to be completely fair with our students, then we must examine the value, feasibility, and nature of entrepreneurship as a possible occupational choice for them. Entrepreneurship instruction could stimulate students to consider long-term career alternatives.

Fostering within our students such successful traits as initiative, optimism, resourcefulness, risk taking, foresight, leadership skills, and versatility will enhance their opportunities for success when they seek the long-term goal of owning their own business. It's not just the students with predetermined, small business ownership goals, but all students who will benefit from such instruction. The employee who understands how management decisions affect him or her and has respect for the successful entrepreneur is much more likely to be an asset to that company.

Lifelong Learning

Entrepreneurship education is a lifelong learning process that could greatly benefit many of today's struggling entrepreneurs. The experiences, skills, and attitudes necessary for successful small business development are not learned at any one place or time. In fact, the earlier young people can begin to learn

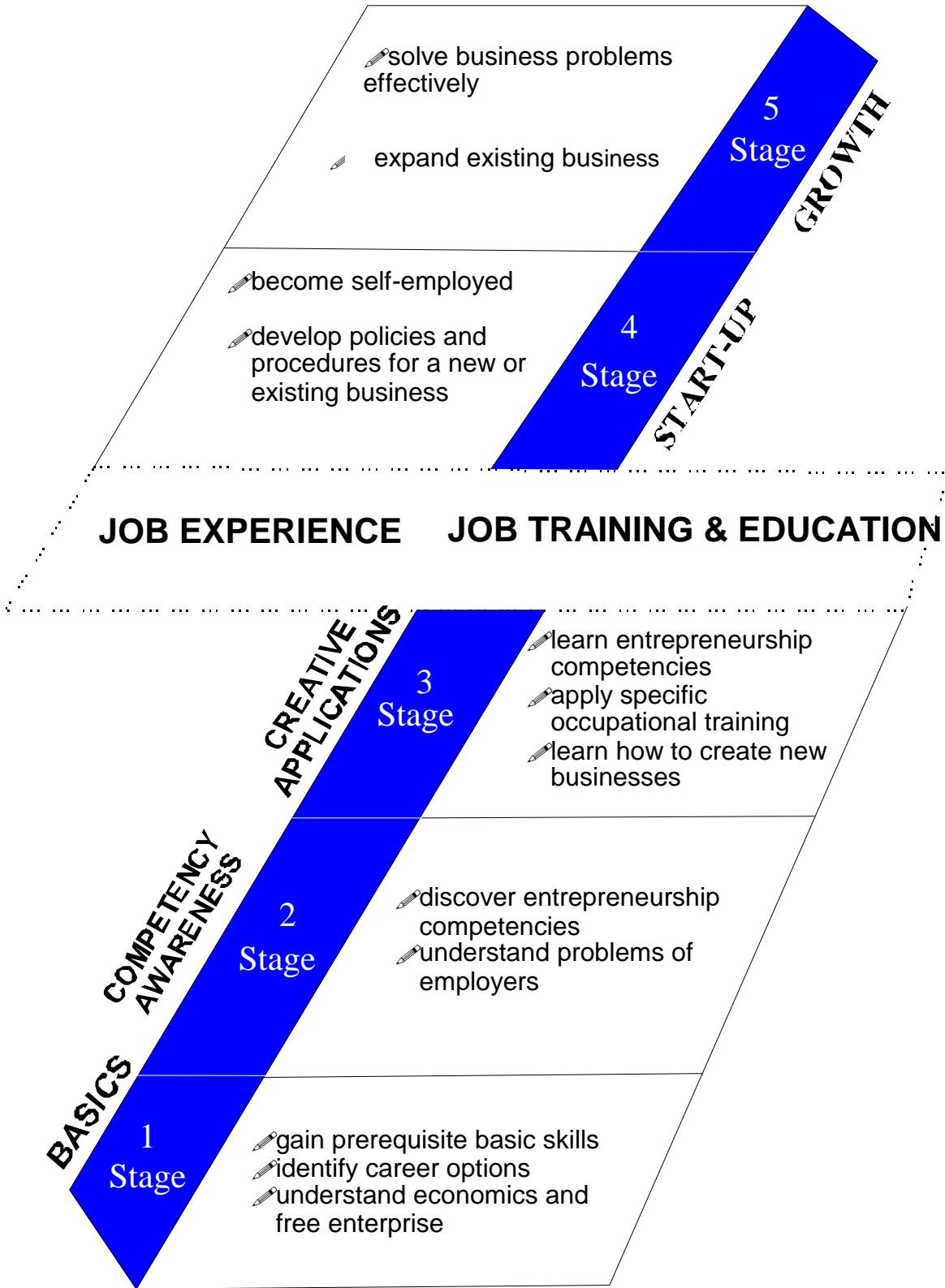
the opportunities and skills associated with entrepreneurship, the more likely they are to be successful as entrepreneurs.

This lifelong learning process can be described in five stages, with different student and program outcomes at each stage. (See figure 1.) Stage 1 is for activities that encourage entrepreneurship as a career anytime in the educational system. It suggests that being your own boss may be a motivation for learning basic skills and the benefits of the free enterprise system. Stage 2 is designed to teach an understanding of the management skills one must develop to run a business. This stage is considered important for all high school vocational students and could be described as basic business skills needed to increase productivity. Stage 3 represents the next level of development generally found in advanced high school vocational programs or in two-year colleges. It provides more in-depth understanding of the competencies needed to become a successful entrepreneur, and it encourages the student to dream a bit—to plan a business that might be started using acquired vocational skills.

The first three stages of the lifelong learning model represent a challenge for the educational system. Education for future entrepreneurs has been relatively nonexistent in our public educational system in the past. Emphasis on business courses within this system has been largely concerned with preparing individuals to work for corporate America. Until now, business management expertise has been considered primarily a college-level endeavor. Entrepreneurship education can be a vehicle to explore all the opportunities in our society for careers, including the world of entrepreneurs.

The last two stages of the lifelong learning model address the continuing need to help entrepreneurs get businesses started and keep them running successfully. This is beyond the role of our traditional public educational systems for in-school youth. However, there will continue to be a great need for such assistance from adult educators. It has been estimated that one-half of the new businesses in the United States fail in the first two to five years (U.S. Small Business Administration, 1984). With the absence of entrepreneurial skills education in the public schools, these last two stages of the model have carried most of the responsibility for support systems for our entrepreneurial society in the past. By increasing entrepreneurship education, it seems possible that small business people may have fewer failures in the future.

ENTREPRENEURSHIP LIFELONG LEARNING MODEL



LIFELONG ENTREPRENEURSHIP EDUCATION MODEL

Developed by The Consortium for Entrepreneurship Education, Columbus, OH

Benefits to Students

Entrepreneurship means a "new look" for vocational education. The following benefits should dispel any doubts concerning the value of entrepreneurship education to students and society.

- Parents, particularly those in business, may see vocational education as a stronger option for their children.
- Programs will have a new motivating element for risk-taking, turned-off youth.
- Employers are enthusiastic about the greater understanding their employees will have concerning small business problems.
- Students will have an alternative to unemployment if jobs in their field are scarce.
- Bright, young people can demonstrate their creativity in a guided educational setting before competing in the real world.
- School administrators will find reason to upgrade their expectations of vocational students.
- Educators will see added benefits for students in vocational programs and encourage all students to get involved.
- Students can see alternative benefits for the competencies they are learning in vocational education.

The Design of The Risks & Rewards of Entrepreneurship

Organizational Format

Risks & Rewards of Entrepreneurship includes a text-workbook and a teacher's resource guide. The text-workbook is made up of the following four sections:

- **Section 1: Can I Be an Entrepreneur?**
- **Section 2: What Experiences Have I Had?**
- **Section 3: What Type of Business Could I Start?**
- **Section 4: How Can I Prepare to Be My Own Boss?**

Each section in the text-workbook contains the following components:

- **Introduction.** This is a short description of the subject matter to be covered in the section entitled...What Is This Section About?
- **Objectives.** Presented at the beginning of each section, the objectives inform the students of what they will gain by completing the section.
- **Content.** Drawn from research-based materials, the content imparts subject-matter information.
- **Profiles.** These activities, sequenced throughout the module enable the students to collect personal information that can be used as the basis for a personal portfolio upon the completion of the module. This portfolio could be used in job interviews, business (investor) interviews, competitive events, and continuing self-development.
- **Additional Activities.** At the end of each section are additional student activities. You may wish to assist the students in selecting the activities that best meet their individual needs and your time constraints.

In addition, a glossary is provided at the end of the student module that presents simple definitions of the terms used.

Instructional Format

The teacher's resource guide is designed to complement the text-workbook. Teaching outlines for each of the four sections are found in this guide. Each of the four sections begins with an introduction that includes the following items:

- **Title.** Title and focus of the section.
- **Purpose.** Overall goal to be achieved in this section.
- **Objectives.** Individual achievements leading to accomplishment of section goal.
- **Materials.** A listing of profiles and activities in the text-workbook, handouts, transparencies, and success stories in the text-workbook and teacher's resource guide that are needed for each section.

The introduction is followed by a well-defined course of action, depicted by the "T" format.

Objectives	Teaching Suggestions

In the left-hand column (objectives) provides a summary of the materials to be covered in each section. This summary follows the outline of the text-workbook, but does not duplicate the content. Questions about what to teach are presented here. The right-hand column (teaching suggestions) recommends techniques and methods to be used.

Instructional Methodology

The text-workbook is designed to be used by students on an individual basis. The teacher's resource guide is designed to complement the text-workbook. It is not designed to be used by itself. If you wish to teach from the teacher's resource guide, please be certain to present the content found in the text-workbook. The content in the text-workbook is not duplicated in the teacher's resource guide.

Finally, this training package is designed to give you and your students flexibility in adapting it to their own particular setting, need, and time frame. For example:

- Students could use the module to explore the idea of pursuing an entrepreneurial career. The material is easy to read and the instructions for the activities are easy to follow, so your help is not really necessary.
- You could use the module to introduce entrepreneurship into a regular class or as part of a career exploration unit.
- Students could read through the module and work through the activities together. The additional activities in the student material and the handouts from the teacher's resource guide could be used to expand the time frame, as well as to match the students' interest in exploring entrepreneurship further.

Instructional Aids

The instructional aids to be used in each section are included in this guide. Handouts, and success stories (case studies) are labeled and placed in respective sections. Handouts are labeled "HO" followed by the unit handout number (HO 2.3 is interpreted as handout number 3 in section 2). The profiles in the text-workbook are numbered consecutively. The posters can be used both as motivational and instructional materials. Invite the students to take the time to think about the content they offer.

Resource Suggestions

Effective entrepreneurship education requires working with a wide variety of resources and contacts in both the school and community. Some possible resources follow, along with a brief description of the information each may contribute:

- **Guidance counselors** are a link to the students. Their active support of entrepreneurship education will build student awareness and interest.
- **Vocational teachers** have a rich supply of technical expertise. A business teacher might present a session on record-keeping, for example. These teachers also may have other contacts/resources that they would be willing to share.
- **Administrators** usually have a broad network of resources. They may have contacts with model entrepreneurship programs or other special programs. Also, their approval is usually essential in planning innovative activities such as field trips, workshops, and guest speakers.
- **Advisory committees** are a good source of contacts. They can offer technical expertise, serve as guest speakers, or recommend others to serve in these capacities.
- **School librarians** can enrich entrepreneurship education by keeping abreast of magazine articles, reports, market surveys, and books that give up-to-date information on small business.
- **Chambers of commerce** can promote community awareness and support for entrepreneurship education in schools. Guest speakers also may be available from chambers. In fact, many chambers have built active partnerships with the schools.
- **Career education staff** may be willing to help infuse entrepreneurship as a viable career option.
- **U.S. Small Business Administration (SBA)** provides a wealth of information on local resources. They have information on SCORE (Service Core of Retired Executives), ACE (Active Core of Executives), as well as access to state Small Business Development Center resources, publications on many aspects of small business ownership, and workshops/seminars on entrepreneurship education.
- **Trade associations** offer technical expertise in specific areas. They may supply guest speakers and current research to ensure state-of-the-art approaches in their industries.
- **Local entrepreneurs** are usually willing to share their experiences and provide role models for students. Those who came from vocational programs usually have school-based experiences that helped them get into business.
- **Two-year colleges** have a variety of programs to prepare future businesspeople. Instructors of high school and two-year college programs in the community might work together to plan advanced placement or to articulate programs.
- **Adult vocational education staff** in many communities work with small business people to improve their management and problem-solving skills. These staff persons can be a valuable resource to high school instructors as a link to local entrepreneurs and as experts on small business in the community.

Curriculum Planning Ideas

The following ideas may be helpful in planning the infusion of entrepreneurship education into a vocational curriculum.

Teacher Lectures - Any resource or combination of resources may provide content for teacher lectures. This method should be combined with others that provide students with entrepreneurship experiences. Students will learn most by applying the content of lectures to real experiences in small business planning.

Youth Group Activities - New competitive events could be designed to be a part of the organization's regular activities, several vocational student organizations already have state and national competitive activities.

Fund-raising Class Project - More attention could be focused on the business operation components of the fund-raising project such as a market survey of what to sell, projected sales, a business plan, and the like. Students should plan and be responsible for all decisions so that they are the entrepreneurs, not just the workers.

Prepare a Business Plan - Business failures are most often due to poor planning. A business plan gives the business owner a sound operational structure. PACE and Beyond a Dream (see "Available Curriculum Materials" in this guide) both give detailed instruction in planning a business.

Co-op/Internship Experiences - Students' on-the-job training could be with an entrepreneur in their service area. A program could be developed for teachers and/or students in which they would shadow an entrepreneur for a set period of time, such as a week.

Entrepreneur Case Studies - Reports of how leading entrepreneurs in the state got their start could be used in addition to the case studies on former vocational students supplied here.

School Enterprises - Entrepreneurial competencies could be accomplished through the operation of a school store or other school-related enterprises. An all-day fair could be an entrepreneurial event drawing on the creativity of vocational classes to sell their products or services to the community.

Guest Speakers/Role Models - Successful local entrepreneurs, especially former vocational students, could be brought in to relate their experiences. Videotaping their presentations for future use would further their educational potential.

Small Business Courses and Counseling - The SBA offers courses on various topics concerning entrepreneurship in many locations throughout the state. Students and/or teachers could take advantage of this training. Contact your nearest SBA office to receive a calendar of courses.

Computer Applications - Since entrepreneurs in virtually every occupational area use computers to perform functions specific to their business, computer literacy is essential to all vocational students. Computer assisted instruction could be used to educate students on entrepreneurship. School store or fund-raising records could be kept on the computer. Marketing strategies could be developed using the computer as a way to reach customers outside of the school or community..

Simulations - A game, simulation activity, or computer software project that is based on entrepreneurship principles or techniques could be developed by the class or purchased from software developers and publishers.

Seminars/Conferences/Workshops - Specialized topics related to entrepreneurship could be addressed in seminars, conferences, or workshops. Examples of some possibilities include— ,

- a special program for minorities,
- a special program on international small business,
- opportunities for new businesses,
- a conference featuring leading local or state entrepreneurs, and
- the entrepreneurship fair or career day.

School-Based Enterprises - A real business could be started in a school by several students, an entire class, or many classes. Such a business must be needed by the community and often has potential for continuation by the students after they graduate. This is particularly useful where jobs are scarce such as in rural communities.

Competitive Events - Student contests could be developed rewarding academic achievement or creative application of competencies in entrepreneurship education.

Junior Achievement - This program is available for use in running a business within a vocational program. It can provide valuable additional resources and experts to get a business started.

Films/Videocassettes - Videocassettes of former local vocational students who have become entrepreneurs could be developed. Check with publishers or film rental agencies concerning new films about entrepreneurship.

Interviews with Entrepreneurs - Students could interview local entrepreneurs and report their findings to the class, or write reports about the interviews. Some of these entrepreneurs may be their employers, or become employers for your future students.

Young Entrepreneurs Support Group - A support group of young entrepreneurs could be developed for sharing resources, experiences, and strengths. This group would be an excellent resource to the vocational school for speakers, mentors, role models, and possible seed capital.

Section 1

Can I Be an Entrepreneur?

Preparation Page

Purpose

This section is designed to help students learn more about themselves and the characteristics of successful entrepreneurs.

Objectives

Upon completion of this unit, students will be able to:

- assess their personal characteristics
- identify how entrepreneurship affects life-style
- evaluate life-style preferences
- recognize the importance of career planning

Profiles (Text-Workbook)

Personal Profile 1 Personal Characteristics Assessment
Personal Profile 2 Characteristics: Assets and Potential
Personal Profile 3 Life-style Preference Classification

Text-Workbook Activities

- Life-style Preferences
- Crossword Puzzle
- Starting Your Own Business—A Quick Self-Assessment Checklist
- Entrepreneur Interview Questions
- Life-style Choices
- Life-style Decisions
- Think Tank

Teacher's Resource Guide Activities

Handout 1 Entrepreneurial Characteristics
Handout 2 Script: Visualization
Handout 3 Life-style Preferences
Handout 4 Conflict Management
Handout 5 Entrepreneur's Credo

Success Stories (Text-Workbook)

- Brett Gibson, Mid-American Telephone Supply—telephone systems and equipment sales

- Robert P. Downs, Finite System Programming—computer consulting and programming
- Tawaunna Jones, Senoj Fashions—fashions, cosmetics, and models' workshop

Teaching Approaches

Objectives	Teaching Suggestions	Resources
What is this section about?		
1. Assess Personal Characteristics		
What do you know about yourself?	<p>Have students complete Personal Characteristics Assessment. Emphasize that this activity will not be judged by you.</p> <p>Have students keep a daily journal of their feelings as they complete this module to develop a greater self-awareness.</p> <p>Have students keep a daily journal of their feelings as they complete this module to develop a greater self-awareness.</p>	Profile Ia
What do we know about entrepreneurs?	<p>Ask students for specific examples of the personal characteristics that are defined in the text.</p> <p>Discuss the following Entrepreneurial Characteristics.</p> <ul style="list-style-type: none"> • Risk Taking • Innovativeness • Leadership • Determination • Independence • Resource Seeking • Creativity • Responsibility • Self Confidence • Goal Setting • High Energy <p>Ask students to discuss ways that entrepreneurs may have developed some of these characteristics.</p>	Handout 1
How are you like entrepreneurs?	Have students review the Entre-	Profile Ib

preneur's Response Key found in the back of the text-workbook.

Have students compare themselves to the Entrepreneurial Characteristics above.

Ask students to tell how they could develop entrepreneurial characteristics that they don't have, both on the job and at school.

Profile 2

2. Realize How Entrepreneurship Affects Life-style

How does entrepreneurship affect life-style?

Be sure students understand that current life-styles and desired future ones are not likely to be the same.

3. Evaluate Life-style Preferences

What are your life-style preferences?

Follow the directions for the Visualization Activity. After reading the script, have the students answer the questions to process the activity. You may collect the answers or discuss them in class.

Handout 2

Ask students to brainstorm examples of life-style preferences in small groups. Have each group give the results to the class. Several examples are "going to parties" and "making a lot of money."

Handout 3

List the 10 life-style preferences given most frequently on the board. Have students vote for the one that is most important to them. Point out the differences in the students' preferences to stress individual uniqueness.

Have students complete Life-style Preference Classification.

Profile 3

Are your preferences compatible with becoming an entrepreneur?

Ask students to name and discuss at least one of their preferences that would be complementary to entrepreneurship — "being the boss," for example.

Ask students to name and discuss a preference they have that may cause

Handout 4

a values conflict if they become entrepreneurs, such as "time to relax." Ask them which of the two is most important to them. Stress the trade-offs required.

4. Recognize the Importance of Career Planning

How can entrepreneurial career planning help you?	Ask students to give examples of people who are unhappy with their jobs due to poor career planning	
Did you know?	<ul style="list-style-type: none"> * 40% of today's entrepreneurs have a high School degree or less * People will change careers as many as five times in their lifetimes * 87% of new jobs are created by small business 	
	Have students read the common "Elements of Entrepreneurs." Ask the students to decide which of the statements surprised them based on personal experience. Discuss their impressions.	Text Workbook p 10-11
Do you know yourself better than before?	<p>Summarize the section.</p> <p>The questions from the success from the success stories can be used to illustrate personal characteristics discussed in section 1.</p>	Handout 5 Activities, Success Stories in Text Workbook, The Think Tank.

Activities

The following activities are designed to help students develop more insight into their entrepreneurial potential. The following activities appear at the end of the section in the text-workbook or are handouts found in this guide.

Crossword Puzzle	This activity will quiz the students on terms they have learned in this unit.	Text-Workbook
Self-Assessment Checklist	This activity will help students to think through what they need to know and do to be entrepreneurs.	Text-Workbook
Entrepreneur Interview	This is a list of questions for students to ask an entrepreneur during an interview with him or her.	Text-Workbook

Have each student write a case study about him or her based on the responses.

(Your local Small Business Administration office and chamber of commerce are good sources of names if you don't know any entrepreneurs.)

Life-style Choices	Have the students imagine the situation outlined. Ask the students if the life-style preferences their choices indicate are compatible with entrepreneurship? Ask them why or why not.	Text-Workbook
Life-style Decisions	Ask the students to imagine that the doctor has just told them they have only five years left to live. Have the students list the things they would like to do before time runs out. Ask the students if this gives them a different picture of themselves and their desires? Hopefully, they will have uncovered their most important life-style preferences. Ask the students to take one preference and write a plan to accomplish it.	Text-Workbook
Entrepreneurial Characteristics	This activity will help students understand the personal characteristics of entrepreneurs.	Handout 1
Visualization Activity	This activity will help students experience the material in section 1.	Handout 2
Life-style Preferences	This activity will help students understand the differences in life-style preferences	Handout 3
Conflict Management	This activity will help students understand how personal preferences may conflict with entrepreneurship.	Handout 4
Entrepreneur's Credo	The students will need HO 5, Entrepreneur's Credo, to read. Have the students list the life-style preferences they detected in their reading and those they feel they have.	Handout 5
The Think Tank	This activity will help students apply the section's material to themselves.	Text-Workbook

Section 2

What Experiences Have I Had?

Preparation Page

Purpose

This section is designed to help students assess their personal experiences, aptitudes, interests, knowledge, and skills for entrepreneurship.

Objectives

Upon completion of this unit, students will be able to:

- examine past and present experiences
- evaluate aptitudes, interests, knowledge, and skills
- determine current business expertise

Profiles (Text-Workbook)

Personal Profile 4 Experience and Aptitudes

Personal Profile 5 Aptitudes Worksheet

Personal Profile 6 Experience-Interests

Personal Profile 7 Interests Grouped according to Similarities

Personal Profile 8 Your Experiences Develop Skills

Text-Workbook Activities

Aptitudes: Matching

Aptitude Exploration

Crossword Puzzle

Interest Search

Basic Skills for Business Owners

Telephone Survey

Think Tank

Teacher's Resource Guide Activities

Handout 6 Profitable Interests

Handout 7 Visualization

Success Stories (Text-Workbook)

Dan Rhoades, Auto Body Specialty's—auto body repair and painting

John R. Miller, Bryant Hill Jerseys—dairy farm

Anna T. McLaughlin, Professional Plant Care Service—interior landscaping

Teaching Approaches

Objectives

Teaching Suggestions

Resources

What is this section about?

1. Evaluate Past and Present Experiences

What is experience?

Discuss in class other experiences students have had.

Ask students to volunteer examples of events that have occurred in their lives. Comment that experiences need not always be positive situations.

Some experiences that students might volunteer could include mastering a physical activity such as cross-country skiing, being able to run in a long-distance competition, membership in clubs, or holding an elected position.

Experiences that can have a profound impact on an individual could also include a divorce, death in the family, illness, or an argument with friends.

2. Evaluate Aptitudes, Interests, Knowledge, and Skills

What types of aptitudes might you have?

Follow the directions given for the Visualization Activity (section 1). After reading the script, have students answer the questions. You may collect the answers or discuss them in class.

Handout 6

Have each student select a partner (or split up into small groups) and have the student groups develop two or more examples of each aptitude listed in this section. Discuss these in class. Put the students' collective list on the blackboard. This will help students compile a list of their own

aptitudes to use in their personal profiles. Some other examples of aptitudes that may appear on students' lists include:

Verbal or nonverbal communication

- Translating a letter from English to Spanish
- Using sign language

Verbal communication

- Following instructions on an exam
- Dressing for rain after hearing the weather report

Logical

- Figuring out how to get into the house when you do not have the key
- Solving a mystery before finishing the book, because of the clues the author left

Artistic

- Acting in a skit
- Drawing a sketch are interests?

Mechanical

- Fixing a broken toaster
- Knowing how to jump-start a car when the battery dies

Numerical

- Measuring ingredients for a cake
- Calculating how much paint you need to paint a house

Clerical

- Answering a telephone switchboard and taking messages
- Using a word processor to store documents

Spatial

- Designing a birdhouse to fit between two branches of a tree
- Packing a picnic basket

Physical

- Washing windows
- Kneading bread

Organizational

- Deciding how you will get all your homework done and go out on Saturday night
- Directing a meeting

Intellectual

- Learning your Spanish vocabulary words for a quiz
- Reading a book

Have students fill out the Experience and Aptitude worksheets.

Profile 4
Profile 5

What are interests?

Lead a class discussion about interests. Have students develop a list of interests/hobbies that people have made into small business. Students can come up with names (examples) singly or divided into small groups. The people that students might think of can be famous or people from the community, neighbors, friends, or relatives.

Handout 7

Give students the Experience-Interest worksheet

Profile 6

Have students complete the Interests Grouped according to Similarities Worksheet

Profile 7

What knowledge is important to an entrepreneur?

Ask the class to tell what kinds of community, education, and on-the-job knowledge an entrepreneur might need.

What skills will I need as an entrepreneur?

Have the class discuss where potential entrepreneurs might go to obtain some of the skills they don't have. Examples could include technical school, talking to experts and getting advice from them, talking to the competition, or college.

Profile 8

3. Determine Current Business Expertise

How does an entrepreneur gain expertise?

Discuss the sorts of experiences and knowledge that can be used to develop the required expertise for entrepreneurship.

Are you building career expertise?

Summarize the section

Activities, Success Stories
in Text-Workbook,
The Think Tank

Activities

The following activities are designed to help students learn more about themselves. When they have analyzed their experiences, they may discover how they developed some of their interests. In addition, they will be able to evaluate their aptitudes and see how they apply them every day. Perhaps they will discover an aptitude that they never before considered! Certainly, they will obtain more information about their entrepreneurial options.

Aptitudes: Matching	This worksheet will help the students understand that many examples of each aptitude are used in many common everyday situations.	Text-Workbook
Aptitude Exploration	This activity will help students compile a list of their own aptitudes.	Text-Workbook
Crossword Puzzle	This activity will review some of the terms the students have learned in this unit.	Text-Workbook
Interest Search	This activity will help students see if they have any interests that are compatible with entrepreneurship.	Text-Workbook
Basic Skills for Business Owners	This activity will help students understand how basic skills apply to business ownership.	Text-Workbook
Telephone Survey	This activity will help students understand which skills are most valuable to entrepreneurs.	Text-Workbook
Visualization Activity	This activity will help students visualize how their interests and aptitudes can apply to entrepreneurship	Handout 6
Profitable Interests	This activity helps students realize how people have turned personal interests into profitable businesses.	Handout 7
Knowledge Collage	Have each student prepare a collage on a large poster board showing the knowledge the student has of his or her community, what is happening, and his or her education and job. The student can use markers, newspaper/magazine clippings, construction paper and any other suitable materials. This activity should demonstrate the great deal of knowledge the student already has.	
The Think Tank	This activity will help students review the section and apply the material to themselves.	Text-Workbook

Section 3

What Type of Business Could I Start?

Preparation Page

Purpose

This section is to guide students to consider business ideas that could fit their individual needs and the needs of the community.

Objectives

Upon completion of this unit, students will be able to:

- identify types of businesses related to their areas of vocational interest
- identify a business they might start based on their interests, skills, and hobbies
- assess the business needs of their community

Profiles (Text-Workbook)

Personal Profile 9 Businesses Based on Your Vocational Experience

Personal Profile 10 Businesses Based on Your Interests, Skills, and Hobbies

Personal Profile 11 My Business

Personal Profile 12 Market Area Changes

Text-Workbook Activities

Word Scramble

Entrepreneur Interview Questions

Estimate

Business Map

Fortune-telling

Utilizing Opportunities

Innovation

Field Assignment

International Markets Exhibit

Think Tank

Teacher's Resource Guide Activities

Handout 8 A Community Study

Handout 9 Class Market Survey

Handout 10 International Culture

Success Stories (Text-Workbook)

David B. Hansley, Hansley Burglar Bars Welding Service—welded security devices

Johanna M. Carlson, J & R Cafe and Bakery—cafe, bakery, catering

DeAlva Gratz Oakes, Alma's—women's high-fashion clothing store

Teaching Approaches

Objectives

Teaching Suggestions

Resources

What is this section about?

1. Identify a Potential Business Idea

What is a business idea?

Stress that the greatest growth today is in service businesses. Ask students to name two businesses in your community that are copies of an original idea and one business that was transplanted from another community. Examples must not be the ones given in the section.

Where do you get a business idea?

Ask the class to brainstorm the different uses for a pencil to help stimulate creative thinking. For example: drumstick, press a button, open a package, Slingshot, ruler, telephone dialer, stir liquids, doorstop, Pointer.

Impress upon students that creativity is not to be judged, because of the creative process

2. Identify Types of Businesses Relating to Your Area of Vocational Training

What business ideas can you think of related to using your vocational training?

Have students complete the worksheet *Businesses Based on Your Vocational Experiences*

Profile 9

Ask students to choose the one business from all those that were generated that they would most like to start. Have them explain their choices in terms of their personal life-style preferences, skills, and aptitudes (from sections 1 and 2).

3. Identify a Business You Might Start Based on Your Interests, Skills, and Hobbies

How can interests, skills, and hobbies lead to a business idea?

Have students brainstorm five businesses they could start based on their interests, skills, and hobbies.

Discuss the possibility of working in a business that is fun and the students' feelings about that.

Give the students the Business Based on Your Interests, Skills, and Hobbies worksheet.

Profile 10

What business might you start someday?

Ask students to name businesses they could start now with a little capital.

Have the students complete the My Business worksheet.

Profile 11

4. Assess the Business Needs of the Community

Why should you know about your community?

Contrast the market areas of a very large supermarket (i.e., 7-Eleven) in your city or town.

How large is your community?

Take students on a field trip to the public library. Give them the **A Community Study** worksheet. They may wish to use the **Sales and Market Management's Survey of Buying Power** or U.S. census data to complete this activity, so call ahead to be sure your library has it.

Handout 8

Why should you know about the people?

Have each student survey one class in the school. Give them the Class Market Survey worksheet.

Handout 9

Why should you know about competition?

Choose a business in your vicinity and answer each of the following questions in class discussion.

(This will give the students direction in completing Profile 12.)

- How many businesses compete?
- What special types of customers does each try to attract?
- Where are these businesses located?
- Which ones seem most successful? Why?
- How long have successful competitors been around?

Why should you know about changes in your community?

Emphasize that foresight makes the difference between success and failure.

Handout 10
Profile 12

In small groups discuss the changes that have taken

place in local businesses

5. Assess the International Market

Why should you know about foreign business?

Discuss opportunities for imports, exports, and import replacement businesses

Have students complete the International Culture worksheet.

Handout 11

What sort of business might you start someday?

Summarize the section.

Activities, Success Stories in Text-Workbook, The Think Tank.

Activities

The activities that follow are provided to help students obtain more information on the types of business they may wish to start. This section has activities to help them learn how to create a market survey. Someday students may wish to check on the demand for a product or service. Practice in locating the competition on a business map might help with the decision about where to locate a business. The exercise in understanding changes sometimes faced by businesses and their reaction to such changes should help students think ahead.

Word Scramble

Check the students' understanding of terms used in this section by completing the word scramble activity. Text-Workbook

Entrepreneur Interview

Have the students complete a list of questions to ask an entrepreneur, to complete this activity. Have the students ask the entrepreneur the questions on the list and write a case study about him or her based upon his or her answers. Text-Workbook

Estimate

Have the students choose a business in their own town or neighborhood. Ask them to estimate what the market area is for the business. Have the students phone or visit the manager of the business and ask him or her to define the market area. Ask the students to write a brief paragraph about what they learned from this activity. Text-Workbook

Business Map

Have the students list five competing businesses in an area of their interest. Ask them to draw a map of the business locations or mark their locations on a city map. Have the students think about these questions: Is there a great demand for this type of business? Does it look like the market areas of the businesses are equally distributed? Text-Workbook

Fortune-telling	Have the students describe the changes that will occur in the fast-food industry by the year 2005.	Text-Workbook
Utilizing Opportunities	Have students brainstorm new business ideas Using the worksheet.	Text-Workbook
Innovation	Have the students invent a new product using the worksheet as a guideline.	Text-Workbook
Field Assignment	Help students become aware of international businesses by going on a field assignment.	Text-Workbook
International Market Exhibit.	Have students complete this worksheet to help Them consider cultural differences in the marketplace.	Text-Workbook
A Community Survey	Have students complete the handout to become familiar with community needs.	Handout 9
Class Market Survey	The students will need HO 3.2, which is a list of questions to help them develop a market survey of the class, to complete this activity. Ask the students to limit the survey to one class only.	Handout 10
International Culture	This activity will help students brainstorm products or services that would do well in another country.	Handout 11
The Think Tank	This activity will help students review the section and apply the material to their personal situation.	Text-Workbook

Section 4

How Can I Prepare to Be My Own Boss?

Preparation Page

Purpose

This section is designed to help students develop the business skills necessary to start their own businesses through planning and goal setting.

Objectives

Upon completion of this unit, students will be able to:

- view the entrepreneur's approach to risk taking as an "I-can-do-it" attitude
- use decision making effectively
- understand the importance of goal setting
- identify resources they will need to become entrepreneurs

Profiles (Text-Workbook)

Profile 13 Career Decision-making Steps

Profile 14 Setting Personal Goals

Profile 15 Contact/Resource List

Text-Workbook Activities

What Is Risk?

Entrepreneurs Wear Many Hats

Matching

Decision-making Steps: Word Search

Decision-making Grid

Goal Action

Fantasy Autobiography

Think Tank

Teacher's Resource Guide Activities

Handout 11 - Risk vs. Opportunity

Handout 12 - Short Cases

Contact Interview (Students develop questions)

Success Stories (Text-Workbook)

Jodee C. Kulp, Jodee Kulp Graphic Arts Services—full-service graphic arts studio

Bryan Frick, Frick's Place Restaurant—full-menu, table-service restaurant

Raul Avila, Avila and Co.—real-estate investment

Teaching Approaches

Objectives

Teaching Suggestions

Resources

What is this section all about?

1. View the Entrepreneur's Approach to Risk-Taking as an "I-Can-Do-It" Attitude

How do entrepreneurs view risk?

Ask the students if they view starting a business as risky. Ask them to list what they think their risks would be. Examples may include lost money, feelings of failure, and lost time.

Is becoming an entrepreneur too risky?

Discuss with the students the kinds and amounts of experiences they are gaining in their current vocational training that build expertise. Examples may include organizing work tasks, planning time to meet responsibilities, and receiving technical knowledge in one's vocational area.

Give students Handout 11 to help them consider the difference between risk and opportunity.

Handout 11

2. Use Decision making Effectively

Why worry about decisions?

Explain career-decision-making steps as the same process used to solve any type of problem:

- Collect information
- Consider the alternatives
- Evaluation the alternatives based on your abilities and interests
- Choose the best alternatives
- Make a plan to achieve your goal
- Prioritize the steps of the plan and take action
- Decide how to evaluate the results

Ask students to list three routine decisions that they made today and one serious decision that they made in the past week. Some examples may include:

Type of Decision	Example
Routine	What time to get up in the morning

Who to eat lunch with

Whether or not to
take part in a class
discussion

More Serious

Whether or not to
accept a job

Whether or not to
attend a certain college

Whether or not to
go steady

Ask students to set one long-term goal
and identify three short-term goals
that would help them achieve their
long-term goal, such as:

Buy a car

1. Get a job
2. Save money
3. Look at cars

How do you reach your goals?

Discuss Goal-setting Tips with the class.

1. Set timelines
2. Imagine yourself fulfilling your goal
3. Keep the goal in view
4. Prioritize
5. Base goals on your own desires
6. Revise goals when needed

Ask the students to generate five longterm goals
based on their own desires. Ask them to rank them as
follows:

- 1 — Most important
- 2 — Important
- 3 — Would be nice

Ask them to set a specific date for
completion of each goal. Have each
student write these goals on a card
and ask where the card will be placed
to keep it in view.

Profile 14

Take a few minutes and have the
students close their eyes and imagine
themselves reaching their goals.

Remind the students that goals should be revised as their needs change.

4. Identify Resources You Will Need to Become an Entrepreneur

Why should you begin to build resources?

Explain to students how resources can help in the operation of their business?

What types of resources should you begin to build?

Ask students to give examples of each type of resource for the specific type of business they would like to start.

Who are the contacts?

Cover the contacts listed in the text.

Profile 15

Instruct the students to list five contacts they should make before starting their own businesses.

What do you need to be prepared to do?

Discuss some of the duties performed by a small business owner.

Where can an entrepreneur go for assistance?

Summarize the section.

Activities
Success Stories
in Text-Workbook
The Think Tank

Activities

The following activities are designed to help students review the section on "How to Be Your Own Boss." Also, they will learn more about the process of decision making when they are asked to analyze decisions made in some short cases as well as understand their own choices in making a decision. Have the students read the instructions carefully.

What Is Risk?

This activity will help students gain a better understanding of risk taking.

Text-Workbook

Entrepreneurs Wear Many Hats

This activity will help students realize how their experiences can apply to the many aspects of entrepreneurship.

Text-Workbook

Matching

This activity will help students review some of the vocabulary from this section.

Text-Workbook

Word Search	This activity will help students learn some of the terms used to describe different decision-making styles.	Text-Workbook
Decision-making Grid	This activity will give students the tools to evaluate their choices in decision making.	Text-Workbook
Goal Action	Have the students choose one goal from Profile 14 and do one small task today that will be required to reach the goal. For example, have them fill out an application if their goal is to get a job. Write a paragraph about how they felt after doing the task. This should motivate them to move closer to their goals.	Text-Workbook
Fantasy Autobiography	This activity will help students project into the future	Text-Workbook
Risk vs. Opportunity	This activity will help students understand how opportunities are to be found in risks.	Handout 11
Short Cases	Each case highlights a different decision-making style. You might want to divide the class into groups to answer the questions and discuss the answers with the entire class.	Handout 12
Contact Interview	Have the students meet with a business contact in the community. Have them ask the contact for advice on a question of the students' choice. Possible business contacts are listed in the text.	
The Think Tank	This activity will help students review the section and apply the material to their personal situation.	Text-Workbook

Entrepreneurial Characteristics

Instructions: Write two personal examples of the entrepreneurial characteristics listed below. Be ready to discuss the following with the class:

1. Your personal examples.
 2. Ways entrepreneurs may have developed some of these characteristics.
 3. How you could develop some of these characteristics that you don't have, both on the job and at school.
-

Characteristic	General Examples	Personal Examples
Risk Taking	Asking someone for a date Buying a car Playing sports	
Thirst for Learning	Going to school even when sick Working for someone else Reading unrequired books	
Independence	Choosing work to be done Deciding hours available for leisure activity Setting vacation time	
Responsibility	Admitting making a mistake Cleaning up a mess made Serving as chairperson of a committee	
Impatience	Changing suppliers because of a delayed shipment of merchandise Getting angry when you must wait in line Leaving a restaurant if you have to wait	
Time Management	Talking on the phone and writing a memo at the same time Turning in a report on time Taking a book you are reading to the doctors's office	
Resourcefulness	Installing a computer price ticket scanner to speed up slow checkout line Tying a shoelace back together when it breaks Resolving a customer complaint	

Continued on Next Page

Characteristic	General Examples	Personal Examples
Determination	Trying different types of sales promotions until sales goals are met Applying for jobs until one is landed Asking for a raise until the boss says yes	
Goal Setting	Projecting sales for the next year Planning to start a business Saving to buy a house	
Self-Confidence	Knowing you are good in math, science, art, or whatever Believing in yourself Trying a new activity	
Leadership	Organizing and allocating work Holding a staff meeting Being elected an officer of a school club or organization	
Creativity	Making braille price tickets for a store that sells items to the blind Using air-filled plastic bags for floral arrangements Fast-food restaurants offering home deliveries	

Visualization Activity

All students should have an opportunity to dream about their future while they are still preparing for it. This activity can be used with youth of any age, but will need some modification regarding the number of years from now they are to think about for their future.

PROCEDURES:

1. Students will sit with their eyes closed and visualize themselves as a grown person in response to questions asked by the teacher.
- 2.. After visualizing the future students should take 5 - 10 minutes to write down the answers to the AQuestions About My Dream≡. Encourage them to think seriously about their ideas.
- 3.. Now divide the students into groups of about 5 and ask them to compare their ideas about the future. Each group should identify one person to report to the whole class in a summary of what the group as a whole learned in the process of visualizing their futures.

INSTRUCTIONS FOR THE STUDENTS:

As students will be asked **to listen** and **to dream** in the first part of the activity. Then you will write your ideas on a form I will give you that will help you analyze your ideas. Finally you will get together with a group of students to talk about what you each learned from this activity.

1. You must listen carefully to others and not talk until told to do so later.
2. Your dream can be as big as you wish.
3. Please think about as many details as possible in answer to my questions.

INSTRUCTOR reads the FOLLOWING SCRIPT SLOWLY, ALLOWING TIME FOR THINKING:

ALet us close our eyes and picture a relaxing scene and remain quiet for a few moments.≡
PAUSE

ANow you will imagine your life as you would like it to be 10 years from now when you are grown up and out of school≡
PAUSE

ANow it is morning and you have just awakened. What do you see?
PAUSE

ANow you go to your closet to get dressed. What do you see in your closet? What do you choose to wear to work today?

PAUSE

Now you are eating breakfast. What do you see?

PAUSE

You are now ready to leave for work. Where do you go? How do you get there?

PAUSE

Who do you see in your workplace? What are they doing?

PAUSE

What are your feelings about the work you are doing?

PAUSE

It is now lunchtime. What are you doing? How long do you take for lunch?

PAUSE

You are now at work and it is close to the end of the day. What are you doing? What time is it?

PAUSE

Where are you going now that work is finished? How do you feel about the day?

PAUSE

Now let's take a few minutes to review the day. What were your most important thoughts and ideas during this dream?

QUESTIONS ABOUT MY DREAM

1. Were you working indoors or outdoors?
2. Where were you?
3. What were you wearing?
4. What were you doing?
5. Did you work with people, ideas or things?
6. What made the day satisfying to you?
7. Did you work for someone else, or were you in charge of the business?

Life-style Preferences

During a typical day, you make many choices about the activities you will do according to your values. The activities you would like to do are your life-style preferences. You don't always do the activities that you prefer because you have needs that must be met. For example, you may not wish to work at all. But since work is necessary for your basic survival needs such as food and shelter, you will work, Consequently, the challenge is to achieve a balance between your needs and preferences.

Instructions: Brainstorm examples of life-style preferences in small groups. Several examples are "going to parties," "making a lot of money," "having a secure job," and "taking vacations." Have each group member vote for the two most important to them. List the five most voted for preferences.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Conflict Management

Instructions: In small groups role play one of the following examples of a conflict or create one of your own. Be prepared to discuss three ways the conflict you chose could be managed.

- The best party of the year is Friday night. You are scheduled to work and can't get your schedule changed.
- Your friends invite you to Florida for spring break, but it is your own business's busiest season. Your business cannot withstand the lost income.
- Your all-time favorite movie is on TV tonight and you have no VCR. Your accountant informs you that you must have your books in order by 11:00 a.m., which means you will need to work on your books for the entire evening.
- You have a business idea which is sure to be a success but you must quit your job to start the business. Your wife is afraid of the risk.
- You see a friend shoplift and realize that because you are with her/him you will also be in trouble if you do not say something to her/him and she/he is caught. You also know that your friend will be angry at you if you do say something.

Three ways to manage your conflict:

1.

2.

3.

Entrepreneur's Credo

"I do not choose to be a common person. It is my right to be uncommon—if I can. I seek opportunity—not security. I do not wish to be a kept citizen, humbled and dulled by having the state look after me.

I want to take the calculated risk, to dream and to build, to fail and to succeed.

I refuse to barter incentive for a dole; I prefer the challenges of life to the guaranteed existence; the thrill of fulfillment to the stale calm of Utopia.

I will not trade my freedom for beneficence nor my dignity for a handout. I will never cower before any master nor bend to any threat.

It is my heritage to stand erect, proud and unafraid; to think and act for myself, to enjoy the benefit of my creations and to face the world boldly and say:

This, with God's help, I have done. All this is what it means to be an entrepreneur."

Official Credo of
American Entrepreneurs Association
1986

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Association from Entrepreneur magazine, February
1986, page 5.

Visualization Questions

Instructions:

What were my most important feelings about this day?

2. What type of work did I choose for myself? Why?
- 3.
4. Did I use interests/hobbies/skills that I am developing now?
5. Did you work for someone else, or was I in charge of the business?
6. Was I satisfied with the job I chose? Why or why not?

Notes: As the students discuss this activity some of the types of information they will want to include are these questions.

How many of them owned their own business?

How many drove a fancy car?

How many owned their own house or apartment?

What does this mean about the amount of money they are earning?

How many used skills or aptitudes that they have already started to develop?

Were they happy with this life?

What did they learn about themselves in this activity?

Profitable Interests

Instructions: Develop a list of interests/hobbies that people have made into small businesses. Come up with names (examples) singly or working with small groups. The people that you might think of can be famous or people from your community, neighbors, friends, or relatives.

Some examples include:

- Jimmy Carter: farming, carpentry, (president of the United States)
- Julia Child: gourmet cooking (gourmet cook)
- Paul Newman: cooking, car racing, (actor)
- Jane Fonda: exercising (actor)

Name	Interests/Hobbies	Business
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

A Community Study

Instructions: Ask students to survey community data in resource books in the school library. These might include census data, *Sales and Marketing Management's Survey of Buying Power*, etc. They should find out as much as possible about current and projected data and compare it with past data to determine possible changes in local markets. The local chamber of commerce may also have basic information of use to the group. After answering the following questions in writing, students should decide what these statistics mean for the kind of business they hope to start someday.

1. What is the population of your city? _____
county _____
state _____
2. What is the per capita income?
3. What is the population breakdown by age?
4. What is the population breakdown by minority groups?
5. How do jobs break down by major industry?
6. What are the largest industries in the area?
7. How many major shopping malls are there within a 20 mile radius?
8. What are the major cities in your state, in order of population size?
9. What major changes have taken place in your city, county, or state in the past 10 years?
10. What other data can you find to describe your locality?
11. What products/services do you think would be in demand given the information you have collected? Name at least three. (Hint: a Rolls-Royce would not be in demand in an area with an average income of \$20,000 a year, but a Toyota may be in high demand).

Class Market Survey

Instructions: Using this form, survey one class in the school to determine possible school-based business ideas. (Arrange with the teacher the best time for the survey). You may wish to do the survey by show of hands or redesign the questionnaire for each student to fill out separately. After combining responses for one or more classes, discuss your suggestions for products and services that your school Amarket \cong could use.

!A. How many in the class are: Male _____ Female _____

! B. How many in the class are age 12 _____, 13 _____, 14 _____, 15 _____, 16 _____, 17 _____, 18+ _____?

! C. Number in immediate family (including self)? 2 _____, 3 _____, 4 _____, 5 _____, 6 _____, 7 _____, 8+ _____

! D. Do you work? Yes _____ No _____

! E. How many (of the class) like to do each of the following in your spare time?

Reading _____,

Play music _____,

Sports _____,

Watch TV _____,

Drive cars _____,

Talk on the phone _____,

Dance _____,

Go for walks _____,

Fix things _____,

Sew _____,

Cook _____,

Exercise _____,

Crafts _____,

Paint or draw _____,

Babysit _____,

Write stories _____ (Many other ideas can be added here)

! F. What products or services would you like to be able to purchase at school that cannot currently be bought there?

Now, based on the information you have collected, list the products that you believe would sell best to students in your school. Give reasons for each choice. Discuss the possibilities of selling these products or services in your school.

Product

Reasons

!

!

!

!

International Culture

Instructions: Conduct library research on the culture of another country. Jot down your findings below. Based on these findings, determine a product or service that should do well in that country. Explain your decision and findings to the class.

Country:

Product or Service:

Findings:

Decision:

Risk vs. Opportunity

Instructions: Consider the risks involved in the following examples but focus on the opportunities each situation presents. Write the risk involved and one possible opportunity for each event. Explain what you would do to minimize the risk, thereby maximizing the opportunity.

1. You are invited to try out for a school activity that you have always wanted to do, such as basketball, football, band, drill team, and so forth. You hear that the competition is stiffer than ever this year.

Risk _____

Opportunity _____

Explanation _____ •

2. You have been elected to find an exciting speaker for the basketball team's awards banquet. You learn that the Harlem Globetrotters will be in town the week of the banquet. A friend mentions that his father has their agent's phone number.

Risk _____

Opportunity.

Explanation.

3. Your teacher believes that you could win the state vocational club competition. Entering the contest requires staying after school every day for a month to do a project. Due to your job and homework, after school is the only time you have to be with your friends.

Risk _____

Opportunity _____

Explanation _____

4. A new supplier offers you candy bars at 20 percent less cost than your current supplier for your class fund-raising project. Your current supplier fills your orders promptly and provides fresh candy bars. You don't know whether or not the new supplier is dependable. Your order must arrive within two weeks so that deliveries can be completed before Christmas break.

Risk _____

Opportunity _____

Explanation _____

5. A supplier of what appears to be a very popular fad item offers you 200 of these items for your school store at 50 percent below regular wholesale price. The catch is that you must pay for them in advance and no returns are permitted.

Risk _____

Opportunity _____

Explanation _____

6. You have a terrific idea for a business of your own. You can start the business now but your entire savings of \$1,000 will be required.

Risk _____

Opportunity _____

Explanation _____

Sample Answers

The following sample answers stress the fact that entrepreneurs often see risks as opportunities. They have proven repeatedly that the rewards more often go to those willing to take risks that have been carefully weighed and dealt with as opportunities.

1. Risk: Rejection, disappointment

Opportunity: Fulfill longtime desire

Explanation: Because you know there will be a great deal of competition you can:

- a) practice as often as possible before tryouts.
- b) ask people who have been through tryouts what is expected.
- c) learn about all that is involved in the activity to be sure you want to be involved.

2. Risk: Embarrassment, refusal

Opportunity: To have internationally popular speaker(s)

Explanation: Because the Globetrotters are so popular, one might think that they would laugh at such a suggestion but there is the chance that they may accept.

3. Risk: Lost time with friends, failure to win

Opportunity: Recognition for superior accomplishment

Explanation: This is likely a once in a lifetime opportunity to test one's skills but requires the sacrifice of good times with friends. Devoting as much time as possible to preparation for the contest will maximize the opportunity to win.

4. Risk: Failure of the project, delay, lost customer goodwill

Opportunity: Greater profits for class

Explanation: Although potential increased profits are attractive, dependability of the supplier is essential to the success of the entire project. You could ask the supplier for references from other customers, then call the references to verify the supplier's dependability.

5. Risk: Overstock if merchandise isn't popular, lost money

Opportunity: Enormous profit potential

Explanation: If these items sell well, the store will enjoy terrific profits. If the items don't sell, the original investment will be lost.

6. Risk: Loss of hard-earned savings

Opportunity: Have your own business

Explanation: Although you feel sure your business idea is a good one, success is not assured. Learning all you can about owning and operating a business will minimize this risk. If you pass up the opportunity it may not be as profitable to do it at a later date—or competition may move in to lessen your profits.

Short Cases

Instructions: Each of the following cases highlights a different decision-making style. Read each one and then answer the questions in the spaces provided.

1. Joel is an auto mechanic. Joel keeps his own books and orders his own supplies. He has more business than he can handle by himself. However, Joel feels he can't hire anyone to work for him because of limited space and equipment. Recently, Joel has talked to some friends about what they think he should do. One friend offered two very good suggestions, but Joel seems to want to just let things happen the way they are fated. What sort of decision-making style is Joel using? If you were this friend, what two suggestions would you have for Joel? Do you think that somehow you could show him you were right? How would you do this?
2. Laurel owns a fashion boutique. Laurel's been working 14 hours a day. She wants to expand her line of merchandise to include shoes and handbags, but she doesn't have room at her store for it nor the time to deal with it. It also would create a temporary cash-flow problem. Laurel keeps telling herself that tomorrow's another day and she can think about what to do later. What sort of decision-making style does Laurel seem to have? What would you do if you were Laurel? Explain your reasons.
3. Steve is currently employed in an auto body shop but is dissatisfied. He's thinking of opening his own business. He has given this idea a great deal of thought. He has considered all the facts available to him and has considered his feelings. What sort of decision-making style does Steve show? List five things Steve must consider before giving his notice.
4. Ellen and Andy became entrepreneurs together and opened a hair boutique. In the next 18 months, they must double the volume of business or close their shop. They are having some trouble trying to figure out how to do this. Ellen tells Andy she'll help him do whatever he thinks is best. Andy tells Ellen she should just tell him what to do, and he would try that. What sort of decision-making style do these two seem to have? How would you attract customers to this hair boutique?
5. Roger has always wanted to own his own restaurant. He's been working as the night manager of a restaurant part time since he graduated from high school. Roger now has an opportunity to buy an existing business, but he has not looked around at any other alternatives. There is an empty lot for sale too, and another restaurant for sale a few blocks away. What sort of decision-making style does Roger show? How does Roger determine if he should buy or not? If Roger does decide to buy the business how does he know how much to pay for it?
6. Brent owns a small ski resort, and he knows business has been bad because of the weather and heavy competition. Brent just can't seem to face making a decision about what to do. What sort of decision-making style does he show? What are three things Brent could do to make his resort more attractive to customers? What risks are involved in each option? Which option do you feel is best, and why?