

CHAPTER 1

Your Great Adventure: Exploring Your Options

I. Business Plan Building Block (SLIDE 1-2)

At the end of each chapter you will begin a preliminary draft of what will become a complete and free-flowing business plan.

All small businesses need a plan. In this first chapter we want you to get students on the rationale and the basic building blocks or components of a business plan. It will also help them discover their entrepreneurial bent and explore career options.

II. CHAPTER LEARNING OUTCOMES

(SLIDE 1-4 & SLIDE 1-5)

After completing this chapter students should be able to:

- Identify the role, skills, and characteristics of successful Canadian entrepreneurs.
- Discover why you might want to become an entrepreneur.
- Identify your entrepreneurial quotient.
- Understand what it takes to be an entrepreneur and intrapreneur.
- Understand the meaning of the terms *micro business* and *small business*.
- Use mind maps to help you decide on the life you want.
- Discover what success means to you.
- Understand the rationale for a business plan and list the main components.
- Improve your research and information-gathering skills.

III. LECTURE OUTLINE

1. Building Your Road Map

- This book with its Action Steps and Business Plan Building Blocks can be your students' personal road map to success in small business. By having the students complete the Action Steps and Building Blocks, they'll be drawing a customized road map for their small business success. Ask the

students to complete the Action Steps in order to give them direction and the Building Blocks will provide them the foundation. They will start this journey by taking a careful look at themselves and their skills.

- Review *Figure 1.1, Entrepreneurial Road Map* to learn how the different components of this book contribute to the creation of a business plan.
- Encourage your students to believe in themselves and fuel the passions that will help them achieve entrepreneurial success. The text profiles many entrepreneurs like Chris Griffiths (in the opening vignette) who are passionate about what they do. Ask students to read their stories, and learn from their experiences. A case study is provided at the end of each chapter. Have students work through these studies starting with Chris Griffiths at the end of this chapter, page 25, and learn from his story.

To get their creative juices flowing, ask students to go to Box 1.1, Bookmark This, on page 4, and visit some of the Web sites. These sites will introduce them to others like themselves who have decided to investigate the entrepreneurial option.

2. The Age of the Entrepreneur (SLIDE 1-6 and SLIDE 1-7)

Discuss how now is a great time to be an entrepreneur in Canada and that Canada is a hot bed of entrepreneurial activities. Research shows that:

- Canada has twice the percentage of self-employed people as the United States.
- Most of our self-employed (60%) have a post-secondary education
- About 1/3 are serial entrepreneurs
- 40% of Canadians think being your own boss is the most rewarding career decision
- 80% of all entrepreneurs say that starting a business was their best career decision

3. What Do the Numbers Say? (SLIDE 1-8 and SLIDE 1-9)

This is the age of the entrepreneur and Canadians are leading the charge. Many Canadians, like Chris Griffiths in the opening caption, go into business for themselves. They have POP—that is they are **P**assionate, **O**pportunity seeking, and **P**ersistent. World class companies like Yahoo!, eBay, Research in Motion, Sierra Wireless, and Red Hat, were all founded or co-founded by Canadians. Canada is an entrepreneurial hot bed. See, for example, Tables 1.1, Total Number of Self-Employed Persons (Thousands) by Gender, Yearly, 2004–2008 1.2, Total Number of Business Establishments, and Number of Establishments Relative to Provincial/Territorial Population and Gross Domestic

Product, June 2009, and 1.3, Number of Private Sector Employees by Industry and Size of Business Enterprise, 2008 (pages 6–8).

The numbers point to the following:

- 2.6 million Canadians are self-employed (35% female vs. 65% male)
- 98% of employer businesses have fewer than 100 employees
- 57% of employer businesses are micro businesses (1 to 4 employees)
- About 75% of small business employees work in the service sector
- Almost 1/2 of our labour force work for small enterprises
- Small business accounts for about 25% of our Gross Domestic Product (a key measure of economic production)

4. Small Business Entrepreneurs (SLIDE 1-10, SLIDE 1-11 and SLIDE 11-12)

Small business entrepreneurs are the fuel of our private enterprise system. They provide the competitive zeal; create jobs, new ventures, and opportunities for others; and improve our economic growth and social fibre. Like Chris Griffiths in the opening caption, they are (SLIDE 1-10):

- Visionary self-starters who love the adventure of a new enterprise.
- Agents of change with POP. They are **P**assionate, **O**pportunity seeking, and **P**ersistent.
- Doers, who see a market need and satisfy that need by translating it into a successful business.

The down side to being an entrepreneur is that (SLIDE 1-11):

- 55% of small business owners work 50+ hrs per week
- Only half took 1 week vacation in 3 years
- 90% say running a business is stressful

But those who own their own businesses report highest life satisfaction.

Most research on entrepreneurship has come to the conclusion that entrepreneurs cannot be cloned. Nevertheless, if generalizations can be made some of the major characteristics are shown in SLIDE 1-12. Note that successful entrepreneurs are moderate risk-takers not extreme risk-takers.

5. Rev Up (SLIDE 1-13 & SLIDE 1-14)

Explain to students how a typical employee thinks vs how a Master Entrepreneur® thinks by using SLIDE 1-13. Help your students build a road map to business success. In order to decide which road to take, they are going to have to do some research and define their personal goals. To begin, encourage them to:

- Have the students complete Action Step 1, *Compile your 24/7 Adventure Notebook* on page 11. The students should organize their personal and

business ideas in a 24/7 Adventure Notebook. Many entrepreneurs like Adrienne Armstrong of Arbour Environmental Shoppe, page 11 find the 24/7 Adventure Notebook a useful tool for organizing personal and business ideas (SLIDE 1-14).

6. Why Do You Want To Be An Entrepreneur? (SLIDE 1-14)

There are all kinds of motivations for taking the entrepreneurial plunge. For Louis Garneau it was the freedom to pursue his interest in art and cycling. For Adrienne Armstrong becoming a “planet friendly” entrepreneur was a lifelong dream. Chris Griffiths wanted to pursue his passion to make a better guitar.

Ask the students to complete Action Step 2, *Find out why you want to be an Entrepreneur* on page 12

7. What Does It Take To Become An Entrepreneur? (SLIDE 1-14)

Students should assess their interests and abilities and discover if they have what it takes to make it in small business. Remind them that entrepreneurs are made, not born. So, if they are lacking in the skills department, they can always make a plan to learn and get more experience.

- Encourage your students to complete the E-exercises in Box 1.2, page 12, and Action Step 3, *Assess your interest and abilities* and 4, *Expand your self-assessment* on pages 15 and 17.

8. What is a Social Entrepreneur? (SLIDE 1-15)

More and more people are becoming interested in starting up a business that will help social, environmental and human causes. Students who want to start a business that contributes to social good are social entrepreneurs. Social entrepreneurs start businesses that help people with low income, or raise awareness for the environment or somehow provide products and services that are for the social and environmental benefit to society.

9. What is an Intrapreneur? (SLIDE 1-16 & SLIDE 1-17)

Suppose your students decide not to become their own boss and find employment with a large national firm. Better still, suppose they start their own business and their entrepreneurial venture takes off. A few years down the road, you find yourself heading up a 300-employee multinational firm. They're still going to have to foster entrepreneurship in a larger company—whether you own it or work for it. This process of making change in a large company is called *intrapreneurship*. A list of intrapreneurial responsibilities is provided on page 14.

10. “Inc.” Yourself (SLIDE 1-18, SLIDE 1-19 & SLIDE 1-20)

- Encourage your students to mind map (see, *Figure 1.3, Arbour Environmental Mind Map*, page 15) their way to a picture of what they want to become and complete a success checklist (*Action Step 5, “Inc.” Yourself*, page 17).

11. What is Small Business? (SLIDE 1-21)

There are about one million employer businesses in Canada; about 55% of these firms have 1 to 4 employees—the so-called **micro business**. Most small businesses provide services. The service-producing sector houses almost 80% of all our micro businesses

- Review *Table 1.3, Number of Private Sector Employees by Industry and Size of Business Enterprise, 2008* on page 8.

There are several definitions of a small business. We suggest the one provided by the Canadian Federation of Independent Business: "A firm that is independently owned and operated and is not dominant in its field of endeavour." A small business is any venture with spirit, any business you want to start, or any idea you want to bring into the marketplace. A typical small business owner, according to this description, would employ anywhere from 1 to 20 employees. This represents about 85% of all businesses in Canada today.

12. Your Chances of Success (SLIDE 1-22)

Do some small businesses fail? Of course they do! However, if you prove your business idea on paper first—in your business plan—there’s a good chance you’ll be successful. Slightly more than 80 percent of small businesses survive their first year. On average, any one particular company will be in business about 6 years. Only about 30 percent make it for 10 years.

13. Beat the Odds—Write a Business Plan (SLIDE 1-23, SLIDE 1-24, & SLIDE 1-25)

Entering the world of small business demands a carefully designed business plan. A completed plan will be your blueprint or roadmap for operating your business start-up and measuring progress (SLIDE 1-23). It will help you set goals, organize, provide financial guidance, obtain advice, and secure investment (SLIDE 1-24). The broad components for a plan are show in *Box 1.3, Business Plan Outline*, page 16 (SLIDE 1-25). An example of a plan using this

template is provided in Chapter 15. Other examples of business plan resources are shown in *Box 1.4, Bookmark This* on page 18.

14. Beat the Odds—Do Your Research (SLIDE 1-26 & SLIDE 1-27)

There are three approaches to research. A combination of all three should be used.

1. Primary Research. This is research that is carried out by interacting with the world directly by talking to people (for example, bankers, accountants, and business owners). For example, see Action Step 6, page 19.

2. New-Eyes Research. This is the process of investigating the marketplace using your intuition and powers of observation. In new-eyes research, you might visit your competition, as was the case with Chris Griffiths, page 2. Completing Action Step 7, page 20, is a good way to get started on this type of research.

3. Secondary Research. This is research that involves referring to someone else's primary research. (See, for example, Action Step 8, page 23.)

15. Think Points for Success

Review the following think points with your students:

- √ Change is accelerating everywhere, and that includes the world of business. Change creates problems. Problems are opportunities for entrepreneurs.
- √ To find your doorway into your own business, gather data and keep asking questions.
- √ Be creative on paper, organize your ideas, test your assumptions, and develop your business plan for the marketplace. Create and maintain a 24/7 Adventure Notebook. Mind map. Confirm your venture with numbers and words before you enter the arena.
- √ Even though you may not be in business yet, you can intensify your focus by writing down your thoughts about the business you think you want to try. Stay flexible.
- √ Be clear on who you are and what you want to become.
- √ Develop a business plan.
- √ Do your primary and "new eyes" research. Get out and talk to people. That's the way most entrepreneurs learn.
- √ Do your secondary research.
- √ Always be on the lookout for opportunities.
- √ Above all, follow your passions.

16. Checklist Questions and Actions to Develop Your Business Plan (SLIDE 1-29 and SLIDE 1-30)

Review the following Checklist Questions and Actions to Develop Your Business:

- √ Are you organized? Do you have a central deposit for all your ideas?
- √ Do you have what it takes to be an entrepreneur?
- √ Have you assessed your interests, abilities, and weaknesses as they relate to owning a business?
- √ Have you assessed your past accomplishments and shortcomings?
- √ Do you have a list and a plan of new skills you will have to work on?
- √ Is your family or those you live with “on board”?
- √ Are you prepared to take the time and do the necessary research before writing a business plan?
- √ Have you interviewed entrepreneurs to see what it is really like to be in business for yourself?
- √ Do you have any business ideas that you are passionate about?

IV. NOTES AND ANSWERS FOR END-OF-CHAPTER CASE STUDY

Garrison Guitars, Part I

Note: This case study will help students put to practice their knowledge of the learning opportunities of Chapter 1. You may wish to use this case for a one-hour tutorial type seminar or as a case assignment.

We want you to go back and quickly reread the Chris Griffiths story in the opening vignette. Chris Griffiths was a successful entrepreneur who had POP—he was passionate, opportunity seeking, and persistent. Chris recognized a market need, satisfied this market need, and translated it into a financial benefit.

We can all learn from Chris Griffith's successful entrepreneurial experience. Now we want you to dig a little deeper and link on to the following Web sites:

Text support

- Innovation in Canada: Garrison Guitars case profile:

[http://www.collectionscanada.gc.ca/webarchives/20071115075409/http://www.innovation.gc.ca/gol/innovation/site.nsf/vdownload/pra_innov/\\$file/f694_ic_case_studies_e.pdf](http://www.collectionscanada.gc.ca/webarchives/20071115075409/http://www.innovation.gc.ca/gol/innovation/site.nsf/vdownload/pra_innov/$file/f694_ic_case_studies_e.pdf)

- Garrison Guitar: <http://www.gibsonguitars.com>

We suggest you bookmark these sites. You'll need them again when we continue with this case in Chapter 2.

Case Questions

1. Mind mapping

Mind mapping is a great way to get and record ideas. Many entrepreneurs like Adrienne Armstrong of Arbour Environmental (Figure 1.2) do mind mapping naturally. They are visionaries, and they think in pictures. But mind mapping is an entrepreneurial skill that can also be learned. In Action Step 5, we encouraged you to do a mind map of your future, or "what you want to become." We now want you to hone this skill further. View the Garrison Guitar case. Then click on to the other sites provided above. Why was Chris Griffiths so successful? Mind-map your reasons.

Answer:

Note: You might want to inform students that this mind map will form the basis for helping them answer the remaining questions in this case study. You might also encourage students to get into groups and do a group mind map based on a group brainstorm. Additionally you might want to do a class brainstorm and then do a class mind map.

Provided below are some of the major elements that students might include in their mind maps.

- agent of change
- vision
- passion
- persistence
- intrapreneurship
- international market need
- business plan
- primary research
- new-eyes research
- positive thinking
- market need
- willingness to work long hours
- ability to work with people
- team player
- determined
- independent thinker
- goal setter
- marketing skills
- guerilla marketing
- target customer
- experience
- interest and knowledge of the product.
- high technology
- risk taker
- a love for his or her work
- honest
- networking
- finance
- action-oriented
- listener
- communication skills
- ability to surround himself or herself with talent
- inquisitive
- a belief in innovation
- competitive spirit
- quality
- value

2. Entrepreneurial and intrapreneurial skills

Many people have an idea for an invention, but it never sees the light of day. Why is that? As we learn from this case, inventing a product and bringing it to market can be a risky and lengthy undertaking requiring entrepreneurial and, eventually, intrapreneurial skills.

a. What entrepreneurial skills and personality traits helped Chris Griffiths launch his successful invention? To refresh your memory about entrepreneurial skills and personalities, you might want to go back to the section in the textbook (page 3) entitled “The Age of the Entrepreneur” or link on to the CFIB report at <http://www.cfib.ca/research/reports/rr3000.pdf>.

Answer:

Note: You may want to encourage students to go back and draw from their mind map (Question 1 above).

You might want to remind students that according to the textbook, entrepreneurs are agents of change who are passionate, opportunity seeking, and persistent—doers who see a market need and satisfy that need by translating it into a successful business. Research on successful growth firms, by both *PROFIT* magazine and the Canadian Federation of Independent Business (CFIB), indicates that most entrepreneurs are made, not born. This research tells us that many of the entrepreneurial skills and traits displayed by Chris Griffiths can be learned.

Major entrepreneurial skills and personality traits exhibited by Chris Griffiths include:

Agent of change. Chris Griffiths was an agent of change. He successfully re-invented the way guitars were made.

Passionate. Like most successful entrepreneurs, Griffiths had passion. His passion for quality and value-priced guitars was his driving force. Never giving up, he acted on the belief that his patented innovations—the Garrison Active Bracing System™ and Active Bracing Griffiths Integrated Blocking System™ — could create a truly competitive advantage, page 1. According to Griffiths “We are very passionate about building Garrison Guitars as a brand to be associated with innovative technology in an industry that is entrenched in tradition—to make it a value choice for consumers”

Opportunity seeking. Entrepreneurs see problems as opportunities to create solutions. Chris had ability to recognize a market opportunity for quality, value-priced guitars, and do something about it. He and an engineering friend, Andy Fisher, toured North American guitar plants. They learned that the acoustic guitar

industry was mired in technology of the 1960s. He sketched his idea on the back of an airline napkin. An inventive opportunity emerged—one that would allow him to produce quality guitars at a significantly lower price. It was a win-win opportunity—increased manufacturing efficiency (lower prices) and improved quality for the customer.

Persistent. Entrepreneurs don't give up easily when things look bleak. In Chris's case, he had an idea that took six minutes to conceptualize and six years to realize. Persistence was key to his success. For example, when Chris needed start-up capital, his investors told him he would have to come back from his first trade show with letters of intent for the purchase of 7000 guitars—if the rest of the business plan financing was going to proceed. He had little time and the situation looked almost hopeless. But he did not give up. When Chris returned from the four-day trade show he had some 56,000 letters of intent to buy.

Doer. Entrepreneurs invariably identify their primary motivations as “seeing a market need and acting on it.” According to Griffiths, “My philosophy is that ideas are a dime a dozen.... It's the execution of ideas that turns my crank”.

Visionary. Successful entrepreneurs have learned to visualize. Chris stayed true to his vision to find a way to produce guitars at a significantly lower price than quality guitars were being sold for.

People-oriented. Entrepreneurs are not loners. They need people to succeed—after all, people are what drives business. When Griffiths explains why Garrison Guitars is such a raging success, he points first to his willingness to trust, listen to, and depend on people who understand the essential ingredients of technological and commercial success, and can adapt them to new situations.

Independent thinker. Entrepreneurs are independent thinkers who want to control their own destiny. Griffiths consistently showed ability to set goals and the tenacity to solve problems.

- b. As the company grew, Chris began to take on more of an intrapreneurial role. Briefly describe the meaning of the term intrapreneur and explain how Chris used his intrapreneurial skills in the production phase.

Note:

You might want to encourage students, refresh their memories, and reread the section on intrapreneurship, page 14.

Answer:

Intrapreneurs are agents of change who own or work in medium-sized or large organizations. The main objective of an intrapreneur, as a corporate agent of change, is to take a new idea and translate it into a profitable product or service. Chris recognized the need to encourage an entrepreneurial mind set among all his staff. His philosophy was to create “an environment where my co-workers feel

comfortable to make their own mistakes as well because that's how I learned." In the production phase, the process was broken down into manageable pieces. He used team leaders and encouraged them to "manage their own 370 square metres." According to Griffiths, the company was 65 people "...and they're all entrepreneurs....I swear to you, they come into work every day and they treat the company as if it's their own."

3. Roadblocks

Along the way to success, Chris Griffiths was challenged with many barriers. Briefly describe how he overcame three major roadblocks.

Possible answers:

i. Demonstration of market opportunity

One of his first major hurdles was to demonstrate there was market opportunity. "I decided if I wanted to produce a better guitar than is being produced now, I had better find out how they are produced now," said Griffiths. He needed competitive market research to help him with this challenge. He applied for and received a grant from the National Research Council of Canada (NRC). Much of the money was spent doing new eyes research. Griffiths, Andy Fisher, and another engineer toured North American guitar factories. They learned that the manufacturing process wasn't much different than what he did at his own little shop. The acoustic guitar industry was locked in the technology of the 1960s.

ii. Preparing drawings and building a prototype

His next hurdle was to prepare the drawings and prototype. To solve this problem, Griffiths applied for and received help from NRC, the Industrial Research and Development Institute and the Genesis Centre at Memorial University.

iii. Preparation of a Business Plan

Chris needed a business plan to justify the concept and help find much needed start-up capital. To resolve this issue, Chris asked for and received help from the Genesis Centre. Here he received basic training and assistance in the preparation of a business plan.

iv. Start-up Capital

Griffiths received initial financial assistance from the Atlantic Canada Opportunities Agency and two angel investors. But that was not enough. He needed a total of \$3.5 million. Griffiths pleaded for and finally received \$250,000 from a venture capitalist. With this money he was able to complete a prototype, the patenting process, and launch the guitar at a major trade show in Los

Angeles. He returned from LA with orders for 56,000 guitars. As a result of this demonstration of market need, the venture capitalist invested the rest of the required start-up capital.

v. Production

A challenging hurdle was the production phase. According to Griffiths, “The challenge was to take all the innovation that had been developed in the guitar's bracing system and bring it into a production facility.” To resolve the production hurdle, Griffiths hired the right people. He brought in an entrepreneurial team of experts to solve the manufacturing challenge. For example, he hired Andy Fisher (plant manager) who had experience with robotics and lasers.

4. Entrepreneurs are not loners

As we learned in this chapter, entrepreneurs are not loners. They constantly learn and get help from others. Briefly explain the help that Chris Griffiths received from various people and organizations along the way.

Answer:

From the beginning Chris received help from Andy Fisher in developing his idea. Dave King, president and CEO of the Genesis Centre at Memorial University, provided advice and guidance during the business planning and development stage. He received help and financial assistance from the Atlantic Canada Opportunities Agency and two angel investors. He also received funding and engineering assistance from the National Research Council. Chris needed to get help from and work with venture capitalists. These major organizations and people helped Chris survive “emotionally, technologically and commercially.” Without all this help he clearly admits he would never have survived.

5. Market research

Successful entrepreneurs need to carry out extensive and intensive market research, because research opens doors to knowledge and opportunities. Three approaches to research are primary, new-eyes, and secondary.

Briefly describe or explain these three types of research.

Answer:

According to the textbook, page 19, the three types of entrepreneurial research are:

1. *Primary research*—interacting with the world directly by talking to people.
2. *New-eyes research*—use your intuition and observation to learn about the marketplace.
3. *Secondary research*—reading about someone else's primary research.

a. What is meant by the term “target customer”? Explain how Chris Griffiths used primary research to find his target customer and get the much-needed start-up capital.

Answer

Target customers: customers with the highest probability of buying your product or service, page 19.

Chris had an inventive idea; but his investors would not continue to finance the project unless Chris could justify he had customers ready to buy his guitars. Through primary research, his investors wanted him to get a list of at least 7000 target customers—by attending a major trade show in LA. Chris’s “guerilla” marketing skills kicked in. Before leaving for the trade show, he had contacted the 2200 delegates and lined up 120 meetings. After the four-day trade show and meetings, Chris returned to St. John’s with letters of intent for some 56 000 guitars. He had the target customers and now his investors were prepared to release the remaining start-up capital.

b. New eyes research played a major role in the Garrison Guitar success story. Give one example of how Chris Griffiths used this type of research.

Answer:

Two examples of new-eyes research are:

Example 1: The inventive idea for manufacturing guitars started with new-eyes research. Chris had an honest curiosity. “I didn’t know what the results of asking him (Andy) all these questions were going to be. I didn’t have this grand scheme in mind, I didn’t think that there was any short-term gain from it.” Through intensive probing, Chris learned from Andy Fisher about CAD/CAM and the possibility of using this high tech process in the manufacturing of guitars. According to Chris, “The more he (Andy) told me about the sort of enhanced high tech manufacturing practices that were happening in other industries and, to the best of my knowledge really weren’t being at that time applied to the guitar industry, the more excited I got.”

Example 2. New-eyes research was the key method used to survey the competition. Chris Griffiths, Andy Fisher, and another engineer, toured major guitar factories right across North America. They brought their video and still picture cameras with them. They toured the facilities of competitors and found out exactly how they built guitars. In the flight on the way home Chris sketched out his idea and the birth of the Griffiths Active Bracing System.

6. Business plan

In this case study, start-up financing required a comprehensive business plan:

a. What is a business plan?

Answer:

Business plan: a blueprint or road map for operating your business start-up and measuring progress.

b. What is the purpose of a business plan?

Answer:

Note: You may wish to explain that there are different purposes of business plans. Before writing a business plan, students should know who the potential target reader is. In this case, a major reason Chris needed the plan was to get start-up funding. His target audience was venture capitalists.

According to the text, page 18, possible reasons for a plan include:

- Lays out goals.
- Provides an organizing tool.
- Acts as a financial guide.
- Helps obtain advice.
- Helps secure investment.

c. When Chris Griffiths submitted the first draft of his business plan to the Genesis Centre, what was its response?

Answer:

Members of the Genesis Centre thought the concept was “interesting”; but recommended to Chris that the plan needed more work. A major weakness was that it did not contain any discussion or plans regarding the management team. (comptroller, marketing manager, production manager, and so on). The Genesis Centre was also concerned that no prototype had been developed and that no primary market research had been done. Any financial backing would require evidence of primary target customers. They informed Chris that he would not be able to get funding on the basis of this plan.

V. SUGGESTIONS FOR GUEST SPEAKERS

1. A popular option, for the first week of classes, is to invite two or three small business owners into your classroom. Ask them to describe their small business experience. Get them to tell the class if they had to do it again, what would they do differently?

2. Often, students in small business have difficulty conducting secondary research. Invite someone from your college/university resource centre or library to make students aware of the vast amount of information available; and to show students how to access this information.

VI. INTERNET EXERCISES

1. Self Assessment

Online self-assessments are a great place to test your entrepreneurial quotient. Encourage students to complete the E-exercises contained in Box 1.2, page 12.

2. Entrepreneurial Characteristics

A good site that classifies the characteristics of entrepreneurs is “What Are the Characteristics of a Successful Entrepreneur?” at:

http://www.aw-wrdsmt.com/FAQ/characteristics_successful_entre.html. Again this reinforces the theme that entrepreneurs cannot be cloned.

3. Test Your Understanding of Chapter 1

Have students go to the book's companion Web site at www.knowlescastillo6e.nelson.com. Click on to the Test Yourself link and complete the true or false/multiple choice, short answer, and matching exercise for Chapter 1.

4. Business Plans

Have your students link on to one of the business plan sites provided in Box 1.4, page 18. Get them to bring in an example of a business plan. Here students learn that there are different formats for a business plan depending on the type and stage of business and the target reader.

VI. SUGGESTED LESSON PLAN

Time (Minutes)	Activity	Methodology	Support Activities
30	1. Course Introduction; Student Networking	Individual and Small Group Discussion	Networking Exercise
10	2. Business Plan Building Blocks and Learning Opportunities	Lecture	SLIDE 1-2, SLIDE 1-3, SLIDE 1-4, and SLIDE 1-5
10	3. The Age of the Entrepreneur and What Do the Numbers Say?	Lecture	SLIDE 1-6, SLIDE 1-7, SLIDE 1-8, and SLIDE 1-9
10-30	4. Entrepreneurs Are...	Group Discussion, and Lecture	SLIDE 1-10, SLIDE 1-11 & SLIDE 12
15	5. Networking Break		
10-30	6. The Entrepreneurial Option	See NETA Lesson Plan #1	SLIDE 1-14
10	7. What is an Intrapreneur?	Lecture	SLIDE 1-16 & SLIDE 1-17
15-30	8. Inc. Yourself	See NETA Lesson Plan #2	SLIDE 1-18, SLIDE 1-19 & SLIDE 1-20
10	9. What is Small Business?	Lecture	SLIDE 1-21
10	10. Your Chances of Success	Lecture	SLIDE 1-22
15	11. Creating a Business Plan	Lecture	SLIDE 1-23, SLIDE 1-24 & SLIDE 1-25
10	12. Conducting Research	Lecture and Class Discussion	SLIDE 1-23 & SLIDE 1-24
10	13. Summary, Q & A, and Preparing for Chapter 2	Lecture and Class Discussion	SLIDE 1-26 & SLIDE 1-27

VII. SUGGESTED ACTIVITIES

Activity #1: Course Introduction and Student Networking

1. Welcome students to the course.
2. Begin by sharing with them your background experience. For example, it would be of value for students to know what business or businesses you have operated and why you have chosen to teach/facilitate this course.
3. Explain that as an instructor and small business person, one of your main objectives is to satisfy the needs of your customer, i.e., the students in this class. One suggestion is to begin with a networking exercise to help you determine the needs or expectations of the class so you can satisfy their needs if at all possible. This exercise will also help them get to know each other.
4. Divide the class into groups of 4–7 students. Ask students to introduce themselves to members of their respective group.
5. Next, ask students to take a few minutes and decide what is the main reason for taking this course. Assign one person in the group to write down a major objective or reason for each member of the group.
6. Ask each group to assign a spokesperson to present the results to the class.
7. You may want to collect the results of the group discussions in case you want to refer to them later on. Keep these expectations in mind while you are teaching the course.

Activity #2: Business Plan Building Blocks and Chapter Learning Opportunities

Show and briefly explain SLIDE 1-2, SLIDE 1-3, SLIDE 1-4 and SLIDE 1-5.

Activity #3: The Age of the Entrepreneur

Welcome to the Age of the Entrepreneur! Show and briefly explain SLIDE 1-6 and SLIDE 1-7. Discuss the importance of the entrepreneur and how using technology and internet, starting a business today is now happening at a face rate.

What Do The Numbers Say?

Show and briefly explain SLIDE 1-8 and SLIDE 1-9.

More information is contained in Table 1.1, page 6, Table 1.2, page 6, and Table 1.3, page 8.

You might want to begin your discussion on the numbers by asking students: What do companies like Yahoo!, eBay, Research in Motion, Sierra Wireless, and Red Hat have in common? The answer is that they were all founded or co-founded by Canadians. This is the age of the entrepreneur and many Canadians are leading the way. A major point is that, chances are, in the future, most of your students will either own their own business or work for a small business.

Activity #4: Entrepreneurs Are...

Show and explain SLIDE 1-10, SLIDE 1-11 and SLIDE 1-12.

Optional group exercise (30 minutes)

1. Divide the class into groups (4–7 members). Ask each group to name at least two successful small business owners.
2. Ask them to list reasons why the owners have been successful.
3. After about 15 minutes of discussion have group leaders/spokespersons present the results to the class.
4. When the discussion is completed, show and briefly explain SLIDE 1-10, SLIDE 1-11 and SLIDE 1-12.

Activity # 5: Networking Break

Encourage participants to network and learn more about each other during the break.

Activity # 6: The Entrepreneurial Option

See NETA Lesson Plan #1

Activity # 7: What is an Intrapreneur?

Show and explain SLIDE 1-13 and SLIDE 1-14.

Some students may decide not to own a business. Others may start their own business and a few years down the road find they're heading up a large company. In both of these situations they will have to learn how to foster entrepreneurship in a larger company. This process of making change in a large company is called intrapreneurship. A list of intrapreneurial responsibilities is provided on page 14.

Activity # 8: Inc. Yourself

See NETA Lesson Plan #2

Activity # 9: What is Small Business?

Show and explain SLIDE 1-18

Your might want to add here that there are about one million employer businesses in Canada; about 55% of these firms have 1–4 employees—the so-called **micro business** (Table 1.3, page 8). Most small businesses provide services. The service sector houses almost 80% of all our micro businesses (see Table 1.3, page 8).

Activity # 10: Your Chances of Success

Show and briefly explain SLIDE 1-19.

Activity # 11: Creating a Business Plan

Show and explain SLIDE 1-23, SLIDE 1-24 & SLIDE 1-25

Activity # 12: Conducting Research

1. Explain that in order to be successful in small business, research is a key factor. There are three approaches to research.
2. Show and explain SLIDE 1-23 and SLIDE 1-24.
3. Encourage students to complete Action Step 6, page 19, Action Step 7, page 20, and Action Step 8, page 23.

Activity # 13: Summary, Q&A, and Preparing for Chapter 2

1. Recap the key points for each learning objective (using SLIDE 1-2, SLIDE 1-3, and SLIDE 1-4 if necessary).
2. Encourage students to complete the Business Plan Building Block on page 21.
3. Show SLIDE 1-29 and SLIDE 1-30 and encourage students to complete the Checklist Questions and Actions to Develop Your Business Plan, page 24. You may also want to briefly review the Think Points for Success, page 23.
4. Show SLIDE 1-31 and encourage students to complete the case study questions.
5. Respond to any questions that students may have.

6. Encourage students to go to the Nelson Small Business site: www.knowlescastillo6e.nelson.com. Click on to the Test Yourself link and complete the true or false/multiple choice, short answer, and matching exercise for Chapter 1.
7. Have students read Chapter 2 in preparation for the next lesson. Some instructors may want to encourage students to also prepare a mind map of key points contained in Chapter 2.