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Chapter 15

Entrepreneurial Selling: The Power of Running Your Own Business

Video Ride-Along with David Fox, Founder and CEO of Brave Spirits

Meet David Fox. He is an entrepreneur who founded Brave Spirits, a company that makes vodka, gin, whiskey, and rum. What makes Brave Spirits different from other spirits makers is that \$2 of every bottle sold is donated to charities that support the men and women of America's military, fire departments, and police departments. The company is dedicated to celebrating the bravery of those who serve our country.

Ride along with David and learn about the role selling plays in being an entrepreneur.

[\(click to see video\)](#)

15.1 The Power of Entrepreneurship

LEARNING OBJECTIVES

1. Understand the entrepreneurial spirit and what it takes to be an entrepreneur.
2. Discuss the role of entrepreneurial businesses in the economy.

Her owners couldn't imagine putting their beloved Zoe, a seventeen-year-old Jack Russell terrier, in the dark belly of the cargo hold of a jetliner when they moved from California's Bay Area to Delray Beach, Florida, in 2005. Although most commercial airlines have been working on policies and procedures to make pets more comfortable when traveling, and give their owners more peace of mind, husband-and-wife team Alysa Binder and Dan Wiesel just didn't feel that options like Delta's Pet First and Continental's PetSafe really filled the bill. So on July 14, 2009, they launched Pet Airways, the first airline dedicated exclusively to transporting animals in a safe and comfortable environment. The airline includes nineteen turboprop Beech 1900 planes that have been converted to comfortably carry up to fifty live animal crates and one certified pet attendant. Pet "passengers" can fly one way for \$149 and round trip for \$250 to or from any of five major airport locations. Dan Reed, "For Passengers of New Airline, When the Fur Flies, It's in Style," *USA Today*, June 19, 2009, B1. Who else but entrepreneurs would conceive a business idea like this?

It All Starts with an Idea

Entrepreneurs¹ have started all different kinds of businesses from overnight shipping to electronics, music, skin-care products, to retail stores, because each saw an unmet need in the market. Fred Smith started FedEx in 1971 based on a paper he wrote for a Yale University economics class and used his \$4 million to start the company. Funding Universe, <http://www.fundinguniverse.com/company-histories/FedEx-Corporation-Company-History.html> (accessed September 21, 2009). Sam Walton founded Wal-Mart in 1962 because he was convinced that Americans wanted a new type of store, a discount store, so he and his wife put up 95 percent of the money to build the first Wal-Mart store in Rogers, Arizona. Wal-Mart Stores, Inc., About Us, <http://walmartstores.com/AboutUs/297.aspx> (accessed September 21, 2009). In 1930, Colonel Harland Sanders started cooking for weary travelers who stopped by his gas station; they ate at his own dining table because he didn't have a restaurant. "Colonel Harland Sanders: From Young Cook to KFC's Famous Colonel," KFC.com, <http://www.kfc.com/about/colonel.asp> (accessed January 3, 2010).

1. A person who has an idea and takes on the risk of bringing the concept to market.

William Hewlett and David Packard decided to start a business and “make a run for it themselves” in 1939; their first product was an audio oscillator, an electronic instrument used to test sound equipment. They decided the name of their company on the toss of a coin. HP, “HP Timeline—1930s,” http://www.hp.com/hpinfo/abouthp/histnfacts/timeline/hist_30s.html (accessed September 21, 2009). Jay-Z saw hip-hop music as a way to get out of the projects in Brooklyn and parlayed his passion and business prowess into a net worth of over \$350 million. He is CEO of Def Jam Recordings and Roc-a-Fella Records, part-owner of the New Jersey Nets, and co-owner of the 40/40 Club, among other things. Black Entrepreneur Profile, “Shawn ‘Jay Z’ Carter,” <http://www.blackentrepreneurprofile.com/profile-full/article/shawn-jay-z-carter/> (accessed September 21, 2009). Estée Lauder started selling creams that were created by her uncle and founded Estée Lauder in 1946 “with four products and the belief that every woman can be beautiful.” “Famous Women Entrepreneurs,” About.com, <http://entrepreneurs.about.com/> (accessed September 21, 2009). Estée Lauder, “About Estée Lauder,” <http://www.esteelauder.com/about/index.tmpl> (accessed September 21, 2009). Walt Disney, a cartoonist, saw the opportunity to entertain as his driving force when he founded Walt Disney Company in 1923. The Walt Disney Company, “Corporate Information,” <http://corporate.disney.go.com/corporate/overview.html> (accessed September 21, 2009). His passion for his craft led to the creation of the company when he said, “I am interested in entertaining people, in bringing pleasure, particularly laughter, to others, rather than being concerned with ‘expressing’ myself with obscure creative impressions.” “Quotes,” JustDisney.com, http://www.justdisney.com/walt_disney/quotes/quotes01.html (accessed September 21, 2009).

Entrepreneurship² is about helping people see the benefit of a new way of doing things; it’s about having an idea and having the passion and perseverance to make it come alive. What sets an entrepreneur apart from any other businessperson is that fact that she is willing to assume risk to make a profit. “What Is an Entrepreneur?” ZeroMillion.com, <http://www.zeromillion.com/business/starting/entrepreneur.html> (accessed September 21, 2009). An entrepreneur is not only open to new ways of thinking and of doing things, but he also has the vision, drive, energy, and optimism to bring an idea from concept to reality. Generally, an entrepreneur is someone who says, “There’s a better way, and I will find it.” Entrepreneurs are willing to take risks to make things better. Federal Reserve Bank of Dallas, “Everyday Economics,” <http://www.dallasfed.org/educate/everyday/ev3.html> (accessed September 19, 2009).

Video Clip

2. Starting a new concept as a result of an idea that fills a need and taking the risk to bring the idea to market.

Why Become an Entrepreneur?

[\(click to see video\)](#)

David Fox, founder and CEO of Brave Spirits, talks about why someone should consider being an entrepreneur. It might surprise you to hear what he says about being your own boss.

Guy Kawasaki, famous entrepreneur, venture capitalist, speaker, and author of several books on entrepreneurialism including *The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything*, provides a holistic way of viewing entrepreneurship.

Video Clip

Making Meaning

[\(click to see video\)](#)

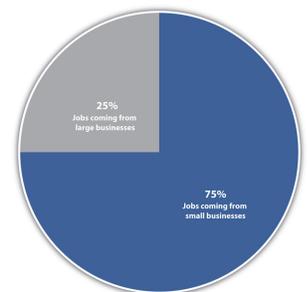
The idea of starting, restarting, or growing something—whether a business or a nonprofit organization—is grounded in “making meaning,” which is the cornerstone of Guy Kawasaki’s concept of entrepreneurship as shown in this video. Guy Kawasaki, “The Art of the Start,” video, April 29, 2006, <http://www.youtube.com/watch?v=L3xaeVXTSBg> (accessed September 28, 2009).

Entrepreneurialism and the Economy

Imagine that in 1899, the director of the United States Patent Office made the proclamation that everything that could be invented had already been invented. He certainly underestimated the power of the American entrepreneur. Everything from airplanes to telephones, computers to the Internet, not to mention the iPod and even skateboards, have all been products developed and marketed by entrepreneurs over the past 110 years. Guy Kawasaki, “The Art of the Start,” video, April 29, 2006, <http://www.youtube.com/watch?v=L3xaeVXTSBg> (accessed September 28, 2009).

Today, entrepreneurs literally power the country. There are twenty-seven million businesses in the United States; 99.7 percent of them are considered small businesses, according to David C. Dickson, district director for the Small Business Administration. That means that only 80,000 businesses are considered large businesses; the other 26.9 million are small businesses. District Director David C. Dickson, Philadelphia, Small Business Association, SCORE Open House, September 22, 2009, Valley Forge, PA. Small

Figure 15.1



Approximately 75 percent of new jobs added in America are from small businesses according to the U.S. Department of State. U.S. Department of State’s Bureau of International Information Programs, “Entrepreneurship Aids the Economy: Most Economists Agree that Entrepreneurship Is Essential to Any Economy,” May 12, 2008,

businesses provide approximately 75 percent of the new jobs added to the American economy every year.

<http://www.america.gov/st/business-english/2008/May/20080603233010eaifas0.8230554.html> (accessed September 19, 2009).

Besides providing jobs, entrepreneurial businesses are more likely to provide specialty and custom goods and services to consumers and businesses. In fact, small businesses produce nearly thirteen times more **patents**³ (rights of exclusivity to make and market the product or service granted by the United States government) per employee than large firms. United States Patent and Trademark Office, “What Is a Patent?” <http://www.uspto.gov/go/pac/doc/general/#patent> (accessed September 28, 2009). U.S. Department of State’s Bureau of International Information Programs, “Entrepreneurship Aids the Economy: Most Economists Agree that Entrepreneurship Is Essential to Any Economy,” May 12, 2008, <http://www.america.gov/st/business-english/2008/May/20080603233010eaifas0.8230554.html> (accessed September 19, 2009). Small businesses represent one-third of all companies that have fifteen or more patents. U.S. Department of State’s Bureau of International Information Programs, “Entrepreneurship Aids the Economy: Most Economists Agree that Entrepreneurship Is Essential to Any Economy,” May 12, 2008, <http://www.america.gov/st/business-english/2008/May/20080603233010eaifas0.8230554.html> (accessed September 19, 2009).

Entrepreneurialism is critical not only for the growth of the economy in the United States but also globally. The Kauffman Foundation, in conjunction with researchers from Babson College and the London School of Business, found that the disparity in entrepreneurial activity in some countries is contributing to a gap in economic growth. “The Global Entrepreneurship Monitor (GEM) report provides conclusive evidence that promoting entrepreneurship and enhancing the entrepreneurial dynamic of a country should be an integral element of any government’s commitment to boosting economic well-being,” according to Paul Reynolds, GEM project coordinator at both Babson College and the London Business School. Small Business, “Entrepreneurs Add Vitality to the Economy,” <http://www.smallbusinessnotes.com/aboutsb/vitality.html> (accessed September 19, 2009). According to the study, Canada, Israel, and the United States are those countries that are experiencing the highest level of activity, while Denmark, Finland, France, Germany, and Japan have the lowest levels of activity. The GEM constructed a framework for countries to work within to encourage entrepreneurial activity that includes raising the participation level to those outside the core age group of twenty-five to forty-four and increasing the participation of women in the entrepreneurial process. Small Business, “Entrepreneurs Add Vitality to the Economy,”

3. The right of exclusivity to make and market a specific product or service granted by the United States government.

<http://www.smallbusinessnotes.com/aboutsb/vitality.html> (accessed September 19, 2009).

Entrepreneurship is rewarded in the United States because the economy is based on a **free market system**⁴—one in which an individual’s success is dictated by demand on the part of the consumer, not by the government. Federal Reserve Bank of Dallas, “Everyday Economics,” <http://www.dallasfed.org/educate/everyday/ev3.html> (accessed September 19, 2009). Because entrepreneurial businesses are so important to the economy, free market governments not only support them, but they often encourage entrepreneurial business ventures. According to Harvard Business School professor Josh Lerner, the United States government played a key role in the early development of Silicon Valley. The government has also provided support for the growth of innovation in places such as Tel Aviv and Singapore. Sean Silverthorne, “Government’s Positive Role in Kick-Starting Entrepreneurship,” HBS Working Knowledge, December 7, 2009, <http://hbswk.hbs.edu/item/6318.html> (accessed January 3, 2010).

While statistics are no guarantee of success for the future, especially in today’s tough economy, you might find it interesting to know that small businesses employ a little more than half of all private sector workers, pay 44 percent of all private sector payroll, and have generated 64 percent of new jobs over the past fifteen years. In 2008, approximately 530,000 new businesses were created every month, which was a slight increase over 2007. Laura Petrecca, “Tough Times Drive Start-Ups,” *USA Today*, September 14, 2009, B2.

These facts reflect the importance of creativity, ideas, passion, drive, independence, and risk taking in the economy. Entrepreneurialism isn’t limited to a specific type of organization or business; it’s a state of mind, a way of thinking and behaving, a way of pushing for something better than the status quo. Entrepreneurs can be found in large multinational corporations as well as nonprofit organizations, and new business start-ups. Every large business or organization had to start small but think differently.

4. An economy in which an individual’s success is dictated by demand on the part of the consumer, not by the government.

Power Selling: Lessons in Selling from Successful Companies

An Entrepreneur Searching for Entrepreneurs

Imagine auditioning your product idea in front of a panel of judges. The reward for the winner? A television commercial for your product sponsored by Telebrands, the company that advertises “As Seen on TV,” quirky, practical products on television and in their retail stores. CEO A. J. Khubani goes on the hunt regularly for new and unique products. Would-be entrepreneurs demonstrate and sell their products in front of a panel that includes Khubani, his wife, and other executives of the company. He looks for products with “mass appeal, inexpensive production costs, and good demonstrability in ads.” Theresa Howard, “Investors Seek Pot of Gold on TV,” *USA Today*, June 25, 2009, B1, 2.

Getting Started

Being an entrepreneur can be exciting and invigorating. Having the vision to create products and services that can meet and exceed customers’ needs and imaginations and the passion to bring them to market can be exhilarating. Imagine having a hobby in college that turns into a multibillion-dollar business. That’s how Mark Zuckerberg created Facebook and Michael Dell created Dell. Both had a unique idea and vision and were willing to take the risk to make it a reality.

Power Player: Lessons in Selling from Successful Salespeople

Meet the Chef

It started when formally trained chef Kimberly Davis Cuthbert's infant son refused to eat the sweet potato puree she made for him. Although her bakery, Sweet Jazmines, used the puree for some recipes, she was determined never to waste sweet potato puree again. Her famous Sweet Potato Muffins were born and have been a signature treat at her successful bakery ever since. Read more about Chef Kim's passion for baking, commitment to baking from scratch, and her sweet taste of success at <http://sweetjazmines.com/index.html>.

Where does it all start? The entrepreneurial drive starts early for most who have it. Think about when you were young. If you were the one in the neighborhood who set up a lemonade stand, went door-to-door selling products, or set up a lawn-mowing service in the neighborhood (and hired your friends), you may have the makings of an entrepreneur. While you and many of your friends (and perhaps your siblings) participated in activities like this when you were young, not everyone will grow up to be an entrepreneur. A recent study, which focused on the behaviors of identical twins, has found evidence that entrepreneurialism may be based on genetics, not environment. Nicos Nicolaou, Scott Shane, Lyn Cherkas, Janice Hunkin, and Tim D. Spector, "Is the Tendency to Engage in Entrepreneurship Genetic?" *Management Science* 54, no. 1 (January 2008): 167–79, <http://mansci.journal.informs.org/cgi/content/abstract/54/1/167> (accessed September 21, 2009). In fact, the study found that a connection between different genes causing someone to be extroverted is important to salesmanship, which is also a strong trait in many entrepreneurs. Jim Hopkins, "Starting a Business: What It Takes," *USA Today*, October 25, 2006, http://www.usatoday.com/money/smAllBusiness/2006-07-30-starting-your-business_x.htm (accessed September 19, 2009).

Video Clip

A Virtual Idea

Listen to Philip Rosedale, the CEO of the virtual world Second Life, talk about how he conceived the concept when he was young and how he created and has grown the business.

[http://cmypitch.com/entrepreneur-tv/show/95/
philip_rosedale_created_the_virtual_world_known_as_second_life](http://cmypitch.com/entrepreneur-tv/show/95/philip_rosedale_created_the_virtual_world_known_as_second_life)

Genetics or not, the current state of the economy has forced many who are out of work to consider owning their own business. “These are people that two years ago did not aspire to own a business, but circumstances have dictated that they look at freelance opportunities,” says Ken Yancey, CEO of nonprofit entrepreneur-mentoring group Service Corps of Retired Executives (SCORE). In fact, Internal Revenue Service (IRS) data confirm that the number of nonemployer firms (those that have paid employees) is up 8.1 percent from 2007 to 2008. Laura Petrecca, “Tough Times Drive Start-Ups,” *USA Today*, September 14, 2009, B1. These “accidental entrepreneurs” have come of age due to a variety of circumstances. Some, like Maureen Rothman, president of Rothman Associates, started her business when her employer went out of business. Although she had over fifteen years of selling and sales management experience, when people encouraged her to start her own business her first thought was, “I’m not an entrepreneur.” After developing a business plan and getting input and direction from resources such as SCORE, she said that everyone told her to “just do it.” “On 09.06.05 [September 6, 2005],” as she likes to say, “I did it!” and launched Rothman Associates, a manufacturers’ representative for hospitality seating products. Maureen Rothman, SCORE Open House, September 22, 2009, Valley Forge, PA.

Entrepreneurial at Any Age

Whether it's the challenging economy or the idea of controlling your destiny, entrepreneurs begin their journey at different ages.

Tech-savvy teenagers are starting online businesses since the Internet has lowered the barriers to entry and provided anonymity from their age. Challenges in finding part-time work also drive teens to start traditional businesses such as yard work, party planning, and tutoring. Eilene Zimmerman, "Teenagers Are Building Their Own Job Engine," *New York Times*, June 28, 2009, B10.

At the other end of the spectrum, many baby boomers who are reaching retirement age are now asking themselves if retirement is "when you stop working completely or retire from one job and begin another." Independence, passion, flexibility, and additional income are significant motivators to "mid-life entrepreneurs." In fact, boomers compose nearly half of the nation's self-employed workers. Susan L. Reid, "Take Control of Your Retirement: Become a Midlife Entrepreneur," *American Express*, August 25, 2009, <http://www.openforum.com/idea-hub/topics/innovation/article/take-control-of-your-retirement-become-a-midlife-entrepreneur-susan-l-reid> (accessed September 28, 2009).

Leaving corporate life behind for a chance to build a business and chase a dream is a trend that is occurring across the country in industries of all kinds from technology to personal services. Ali Galgano recently traded in her high-powered job as corporate recruiter doing work for firms such as Goldman Sachs for her own jewelry company, Charm & Chain. Brent Bouchez, David Page, and Nancy McNally gave up their glitzy, perk-filled jobs at an advertising agency on Madison Avenue in New York to start their own marketing firm named Five-0, which is focused on marketing to baby boomers. Kelly Elvin gave up a lucrative career as a lawyer to become a dog trainer. All have learned that life as an entrepreneur is very different from life in the corporate world. The thrill of running your own show and making your dream come alive is a learning process. There are no bosses, no corporate initiatives, no departmental deadlines, and no performance reviews. Everything is all you, all the time. Skills such as time management, understanding financial statements, building a good support system, and overcoming the isolation of working alone are all challenges in the entrepreneurial world. "Entrepreneurs have to be willing to listen and learn and make judgments and be adaptive," according to

Monica Doss, director of the Kauffman Foundation's FastTrac entrepreneur training programs. Laura Petrecca, "From Corporation to Start-up: Who Is Going to Fix the Printer?" *USA Today*, September 21, 2009, <http://www.usatoday.com/money/smallbusiness/startup/week2-corporation-to-startup.htm> (accessed September 21, 2009). As for the issue of timing, some ideas might not work in the current economic environment. Entrepreneurs have to understand when it's no longer feasible to keep a business running. Laura Petrecca, "Leaving Corporate Life Behind," *USA Today*, September 21, 2009, B1, 2.

Who's the Boss?

Ali Galgano, CEO of Charm & Chain, realized that working on her own without a boss had its strong points and challenges. Galgano formed an "advisory board of people who are smarter and more accomplished than I am." She has monthly meetings with the advisory board to help her formulate strategies and make good business decisions. The group includes her father who is an investment banker. Read about her perceptions of life as an entrepreneur in this article that appeared in *USA Today* at <http://www.usatoday.com/money/smallBusiness/startup/week2-corporation-to-startup.htm?loc=interstitialskip>. Laura Petrecca, "Leaving Corporate Life Behind," *USA Today*, September 21, 2009, B1, 2. Check out the Web site for Ali's company at <http://www.charmandchain.com>.

What Does It Take?

Entrepreneurialism is based on dreams and risk. Not every idea is commercially viable or economically feasible, and not every dream comes true. But there are some common ingredients that are part of being an entrepreneur.

Video Clip

Do You Have What It Takes?

Hear from some of the best entrepreneurs from around the world about what it takes to be an entrepreneur.

<http://www.ey.com/GL/en/Issues/Driving-growth/WEOY-2009---What-does-it-take-to-be-an-entrepreneur>

What's the Big Idea?

Every business starts with an idea—that unique product or service that will serve customers better than any other. “Entrepreneurs are often so passionate about their ideas, they can lose objectivity,” according to Nancy A. Shenker, president of theONswitch LLC. “Rather than taking the time to thoroughly plan and research, they sometimes plow ahead with execution, only to spend valuable dollars on unfocused or untargeted activities,” she adds. Karen E. Spaeder, “How to Research Your Business Idea,” *Entrepreneur*, <http://www.entrepreneur.com/article/printthis/70518.html> (accessed September 19, 2009). That’s why it’s important to research the viability of a business idea starting with the size of the market and if the idea will be compelling enough to meet an unmet need in the marketplace. Checking out the competition can be extremely educational. You might be surprised about what you learn by visiting your competitors and asking questions to their customers. Karen E. Spaeder, “How to Research Your Business Idea” *Entrepreneur*, <http://www.entrepreneur.com/article/printthis/70518.html> (accessed September 19, 2009). The bottom line is that there has to be some recognition by the customer that there is a need for the product or service you want to bring to market. Without demand, it will be virtually impossible to have a successful business.

You might be wondering if there’s more to being an entrepreneur than simply selling a product or service for a profit. **Social entrepreneurialism**⁵ uses the concepts of entrepreneurship to bring about social change. While some social entrepreneurial efforts are nonprofit organizations, others are for-profit companies that focus on adding value to society. For example, City Year is a nonprofit organization that provides full-time year of service for young people from the United States and South Africa with the objective that they will go on to use their

5. Using the concepts of entrepreneurialism to bring about social change.

skills to better the world. Social entrepreneurialism is recognized and supported by several mainstream organizations.

Link

Best Social Entrepreneurs

View the *Fast Company* magazine annual list of “The Best Social Entrepreneurs.” Ilya Bodner, “Social Entrepreneurship,” *Fast Company*, June 2, 2009, <http://www.fastcompany.com/blog/ilya-bodner/true-business-credit-card/social-entrepreneurship> (accessed September 21, 2009).

<http://www.fastcompany.com/social/2008/index.html>

Link

Most Promising Social Entrepreneurs

BusinessWeek published its inaugural list of “The Most Promising Social Entrepreneurs” in May 2009.

http://www.businessweek.com/smallbiz/content/may2009/sb2009051_730988.htm

The Difference Is in the Questions

No one plans to bring a mediocre product or service to market, but the best way to avoid that fate (and ultimately failure) is to ask yourself the right questions before you start your business. For example, can you really answer the question “What sets your product or service apart from what the competitors offer?” A claim like “the best burger in Seattle” doesn’t offer any real point of difference to the customer. Asking the right questions helps identify important opportunities or explain the lack of them. Max Chafkin, “The Wexley Way: How to Think Creatively in 8 Easy Steps,” *Inc.*, February 19, 2009, <http://www.inc.com/articles/2009/02/wexley.html> (accessed September 19, 2009). A good start is to ask yourself these three questions:

1. What are you selling?
2. To whom are you selling it?
3. Why would they buy it from you?

If answered honestly and specifically, these questions help identify the validity of a new business idea. Ridgely Evers, “The Three Toughest Questions,” *Inc.*, April 1, 2008, <http://www.inc.com/resources/startup/articles/20080401/revers.html> (accessed September 19, 2009).

Hard Work, Long Hours

You might consider the concept of being your own boss to be a good deal. After all, you can do what you want, when you want, and work as hard as you want on what you want to do because you’re the boss. Well, that’s not really completely true. The challenge of bringing an idea to life is hard work and there’s no guarantee of success. According to the U.S. Census Bureau, only 48.8 percent of the new businesses that were started in 1977 were still around in 2000. Scott A. Shane, “Failure Is a Constant in Entrepreneurship,” *New York Times*, July 17, 2009, <http://boss.blogs.nytimes.com/2009/07/15/failure-is-a-constant-in-entrepreneurship> (accessed January 3, 2010). Being an entrepreneur is hard work. Think about Melissa Carter, the owner of San Diego’s first CiCi’s Pizza. She works about seventy hours a week and put in even more hours before the grand opening in August 2009. Laura Petrecca, “Leaving Corporate Life Behind,” *USA Today*, September 21, 2009, B1, 2. Dan Sanker, president and founder of CaseStack, a logistics outsourcing company, admits that he really doesn’t take any time off, despite his good intentions. Sanker strongly encourages people to follow their

dreams and do something entrepreneurial as he has done. But he also reminds the aspiring entrepreneur to keep in mind that business ownership does not provide complete freedom and flexibility because you will ultimately “be beholden to investors, clients, and employees.” “Interview with an Entrepreneur—Dan Sanker of CaseStack,” E-Shadow.com, <http://www.e-shadow.com/interview-with-an-entrepreneur-dan-sanker-of-casestack> (accessed September 19, 2009). Vinny Lingham, founder of do-it-yourself Web site building company Yola, who recently secured \$20 million in investor funding and was featured on the cover of the July 2009 issue of *Entrepreneur* magazine, says, “Success may look like it happened overnight but that’s rarely the case in reality. You have to be prepared to put in long hours, take risks, and make personal sacrifices.” But he goes on to say, “And ideally the best time to make them is when you’re young, which is why I encourage young entrepreneurs to go for it.” Juliette Pitman, “Persistence Pays: Vinny Lingham,” *Entrepreneur*, July 2009, <http://www.entrepreneurmag.co.za/article/h/?a=1516&z=161&title=Persistence+Pays:+Vinny+Lingham> (accessed May 16, 2010). Read the entire article about Vinny Lingham’s entrepreneurial journey and success at <http://www.vinnylingham.com/cover-story-entrepreneur-magazine-july-2009.html>.

Video Clip

The Best and the Worst

[\(click to see video\)](#)

Listen to David Fox, founder and CEO of Brave Spirits, share his thoughts about the best and the worst of being an entrepreneur.

Get Rich Quick? Probably Not

Entrepreneurs are motivated by discovery, creativity, and innovation. While almost three-quarters of current business owners surveyed by the Kauffman Foundation said that “building wealth” is the reason they became an entrepreneur, it may take a long time to realize the financial benefit of entrepreneurship. Laura Petrecca, “Leaving Corporate Life Behind,” *USA Today*, September 21, 2009, B2. For example, a **franchise**⁶, a form of business organization in which a person, or **franchisee**⁷, pays a company to use its name and market its products, can cost hundreds of thousands of dollars in up-front fees. “Franchise,” InvestorWords.com, <http://www.investorwords.com/2078/franchise.html> (accessed September 28, 2009). A Subway franchise can cost as much as \$250,000, not including any royalty fees, rent, product, or labor costs. “Subway Franchise for Sale,” Docstoc, <http://www.docstoc.com/docs/2418199/Subway-Franchise-for-Sale> (accessed September 28, 2009). “2009 Franchise 500 Rankings,” *Entrepreneur*,

6. A form of business organization in which a person, or franchisee, pays a company to use its name and market its products.

7. A person or organization that pays to use a company’s name and market its products.

<http://www.entrepreneur.com/franchises/rankings/franchise500-115608/2009,.html> (accessed September 28, 2009). Meanwhile, businesses that require inventory, such as retail stores or restaurants, require an investment in inventory, real estate, or even technology before the doors even open. But if the franchise or business idea is right, and the business is well run, the payback can be significant financially and personally.

Interestingly, it's more than money that motivates many entrepreneurs. It's more than "riches" according to Scott Laughlin, director of the University of Maryland's Tech Entrepreneurship Program. Entrepreneurs are more interested in "wealth"; he points to two of the most famous entrepreneurs, Bill Gates from Microsoft and Warren Buffet from Berkshire Hathaway, who have pooled their resources into the \$60 billion philanthropy called the Bill & Melinda Gates Foundation. "Wealth is broader, encompassing less tangible rewards such as respect and independence," says Laughlin. Jim Hopkins, "Starting a Business: What It Takes," *USA Today*, October 25, 2006, http://www.usatoday.com/money/smAllBusiness/2006-07-30-starting-your-business_x.htm (accessed September 19, 2009).

Top Ten Franchise Opportunities

View *Entrepreneur* magazine's list in slide show format including number of franchises in operation, start-up costs, and other statistics.

<http://www.entrepreneur.com/slideshow/199084.html>

KEY TAKEAWAYS

- **Entrepreneurship** is the practice of selling ideas and having the passion and perseverance to make it become a reality. **Entrepreneurs** are willing to take risks to bring a product or service to market.
- Some of the world's largest companies were started by **entrepreneurs**.
- **Entrepreneurs** have a significant impact on the economy of the United States and the world.
- **Entrepreneurs** protect their ideas by applying for a **patent** from the United States government.
- **Entrepreneurs** flourish in a **free market system**, one in which an individual's success is dictated by demand on the part of the consumer, not the government.
- Being an **entrepreneur** requires a unique idea, passion, and hard work to bring it to fruition.
- **Social entrepreneurship** includes nonprofit organizations as well as for-profit companies that focus on impacting society in a positive way.
- An **entrepreneur** may start a business based on a new idea or expand an existing brand by buying a **franchise**.

EXERCISES

1. Watch this video interview with Joe Kennedy, CEO of Pandora (the online personalized music Web site), to see how the company started and evolved: <http://www.entrepreneur.com/video/index.html>. Identify three key lessons that he talked about that brought the company to where it is today.
2. Review the list of *Entrepreneur* magazine's fastest-growing franchises: <http://www.entrepreneur.com/franchises/rankings/fastestgrowing-115162/2009,.html>. Visit the Web sites of at least three of the franchises and answer these three key questions about their business: What do they sell? To whom do they sell it? Why do people want to buy it from them?
3. Visit the Web site of *Entrepreneur* magazine: <http://www.entrepreneur.com>. Read a current article about an entrepreneur and discuss his or her unique idea.

15.2 Selling Yourself and Your Idea

LEARNING OBJECTIVE

1. Understand how entrepreneurs sell themselves and their business ideas to secure funding to grow their businesses.

So you have a unique idea, the passion and perseverance to bring it to market, and the willingness to take the risk. Now what?

Being an entrepreneur in some ways is like being a student: you have to do your homework. In the business setting, that means creating a **business plan**⁸: a road map of the who, what, when, where, why, and how of your business. A business plan is a document that details everything about the business from the product position in the marketplace to the financial information for the next three years. But a business plan is not simply like a term paper—a project that's completed and then put on the shelf. A business plan is a dynamic document and should serve four purposes:

1. **Sell you on the business.** While this might sound like a no-brainer, the business plan development process includes rigorous research that can be a good eye-opener about the feasibility of your idea. Ideally, your business plan helps put your idea and its potential into perspective and gives you the details you need to move from concept to reality. However, even if you determine that your idea doesn't have as much potential as you thought or might cost more than you anticipated, the process of creating a business plan helped you reach that conclusion.
2. **Sell others on the business.** In many cases, a business needs some kind of support—financial, consultative, or other resources. In this case, the business plan plays the role of the selling and marketing materials for your idea. How you make your idea come alive and support it with the necessary research and financial data can be the difference between someone becoming a stakeholder in your new venture or taking a pass.
3. **Give you confidence.** Having a great idea is one thing, doing the research to understand exactly what it will take to make the idea real is quite another. Having a better understanding of what it takes to

8. A document that details everything about the business from the product position in the marketplace to the financial information for the next three years.

launch and manage the business puts you in control to solicit investors and other supporters and start your journey.

4. **Improve your chances of success.** A business plan is a lot of planning and work, but it's worth it. According to a study conducted by AT&T, 42 percent of entrepreneurs who had written a business plan rated themselves as more successful than the 58 percent who hadn't written one. David E. Gumpert, "The Basics of Business Plans: Sell, Sell, Sell," *Inc.*, October 24, 2000, <http://www.inc.com/articles/2000/10/14871.html> (accessed September 19, 2009).

Writing Your Business Plan

Every business or organization is different, but a business plan is a common method of planning the launch and management of the business. SCORE, "Business Plan for a Startup Business," <http://www.score.org/resources/business-plan-startup-business> (accessed September 29, 2009). While there is no single business plan format, the elements of a business plan are standard. The following business plan outline serves as a guide to developing a business plan. Keep in mind that the order in which you write your business plan should not necessarily follow the order in which you present your plan.

Business Plan Outline

1. **Table of contents.** Page numbers for each section.
2. **Executive summary.** Write this section after the plan is completed; this should be a compelling summary of the plan and how it will work.
3. **General company description.** A high-level description of the product, service, or organization and the unmet need it meets.
4. **Products and services.** A detailed description of the product, service, or organization; how it works; manufacturing costs; and so on.
5. **Marketing plan.** A detailed description of the current state of the market, including competition, your positioning, target audience, and how customers will learn about your product, service, or organization and the cost to get the word out.
6. **Operational plan.** A detailed description of how you will run the day-to-day operations, including product costs, real estate, inventory levels, labor, credit, and so on.
7. **Management and organization.** A detailed description of the principals of the company, including bios, board of directors, advisory board, banker, attorney, insurance agent, mentors, and so on.
8. **Personal financial statement.** A personal financial statement for each partner in the business. This is important as business owners often provide capital to start up or support the business; investors want to see the financial standing of the principal individuals.
9. **Start-up expenses and capitalization.** Accurate accounting of the expenses that are required to get the business started.
10. **Financial plan.** A twelve-month profit and loss statement, three-year financial projection, projected cash flow, and opening day balance sheet.
11. **Appendices.** Supporting information such as brochures and advertising, blueprints, leases, equipment, list of assets available, letters of recommendation, and any information that will help support your plan.

Link

Business Plan Template

A complete template with detailed descriptions for each section is available at the SCORE Web site.

<http://www.score.org/resources/score-business-plan-template>

Presenting Your Business Plan

Once you have identified your breakthrough idea (think iPod as the standard for a breakthrough idea), conducted your research, and written your business plan, it's time to put everything to use. Whether you plan to fund the business yourself or find an investor to provide some capital (money), you will need your business plan to secure resources from your bank, insurance company, lawyer, attorney, and other support areas. Your business plan is the universal document for discussions with each of these people. In fact, you should first present your business plan to family, friends, and mentors to get some feedback before you take it out "on the road."

Types of Investors

When it comes to **investors**⁹, people who are willing to invest financial support based on the potential for the success of your business, there are several different types. Here is a summary of the types of investors:

9. People or firms who are willing to invest financial support based on the potential for the success of the business.

10. Independent agency of the federal government that supports and protects small businesses.

11. People or firms who are willing to invest money or resources to seed the business or get it up and running.

- **Banks.** Banks are a common source of lending, and most offer several different types of business loans, including **Small Business Administration (SBA)**¹⁰ guaranteed loans. (The SBA does not actually provide loans; they simply guarantee them to banks that make the loans.) Banks are the most regulated form of lending; ratios must meet their requirements, and all paperwork must be in order. "Small Business Loan Sources, Take Aim," Business Plan Master, <http://www.businessplanmaster.com/small-business-loan-sources.html> (accessed September 28, 2009).
- **Private investors (or angel investors)**¹¹. These are people who are willing to invest money or resources to seed the business or get it up

and running. Private investors can include anyone from your uncle who invests \$5,000 to a friend of the family who lets you use their second home for office space. Private investors may want to have a say in major business decisions. “How to Get Funding from Angel Investors,” *Wall Street Journal*, <http://guides.wsj.com/small-business/funding/how-to-get-funding-from-angel-investors> (accessed September 19, 2009). Each deal is negotiated separately; be sure to agree to terms with a contract. This is the least regulated area so it’s best to be informed about your angel’s background. “Small Business Loan Sources, Take Aim,” Business Plan Master, <http://www.businessplanmaster.com/small-business-loan-sources.html> (accessed September 28, 2009).

- **Venture capital firms**¹² (also referred to as VCs). VCs usually specialize in investments of \$1 million and above, although there are no hard-and-fast rules. They are looking for a fast return on their investment, especially with the opportunity for an **initial public offering (IPO)**¹³ to take the company public. VCs look for a strong management team and an idea with market potential. Most want a return within three to five years and want to have a say in major decisions that impact the company. “Small Business Loan Sources, Take Aim,” Business Plan Master, <http://www.businessplanmaster.com/small-business-loan-sources.html> (accessed September 28, 2009).
- **Equipment leasing companies.** If your business requires equipment, leasing can be an option that frees up cash and provides an option to buy at the end of the lease. “Small Business Loan Sources, Take Aim,” Business Plan Master, <http://www.businessplanmaster.com/small-business-loan-sources.html> (accessed September 28, 2009).
- **Government programs.** There are many programs at the local, state, and national level designed to support the growth of small businesses. The SBA is only one of the many programs available. Many programs offer opportunities for minorities, business loans, tax incentives, and grants, just to name a few. Research is key to find the program that can potentially support your business; they are not all listed in one place. “Small Business Loan Sources, Take Aim,” Business Plan Master, <http://www.businessplanmaster.com/small-business-loan-sources.html> (accessed September 28, 2009).

12. Firms that usually specialize in investments of \$1 million and above.

13. When a company issues common stock for the first time.

A complete summary of types of investors is available at <http://www.businessplanmaster.com/small-business-loan-sources.html>.

Video Clip

The Best Partner Is No Partner

Investors aren't for everyone. Bob Parsons, founder and CEO of GoDaddy.com, the world's largest domain-name registrar, founded his company with his own money and runs it his way. "Nobody's going to do things like I do," says Parsons. Everything to support his business is done in-house from the computer software and award-winning customer service to the radio and video recording studios where Parsons records his frequent video blogs and hosts his weekly radio show. Wilson Harrell, "The Way I Work: Bob Parsons, Go Daddy," *Inc.*, January 1, 2009, <http://www.inc.com/magazine/20090101/the-way-i-work-bob-parsons-go-daddy.html> (accessed September 19, 2009).

Watch Bob's video blog titled "5 Things I Wish I Learned in Business School."

<http://www.bobparsons.me/index.php?ci=13338&id=-1>

Selling Your Business Plan—and Yourself

When you present your business plan to anyone—a banker, a lawyer, an accountant, you are asking her to make a commitment to support your business idea. While the contents and details of your business plan are critical to gaining support, you are selling more than your business idea—you are selling yourself. How you communicate your vision and supporting details in a clear, concise, and confident manner can make the difference between getting financial or other support or walking away empty handed.

All the concepts that you have learned in the *Selling U* section of each chapter apply when you are selling your business plan. Thinking about yourself and your business idea as a brand is where it all starts. Remember from [Chapter 1 "The Power to Get What You Want in Life"](#) that a brand is unique, consistent, and relevant and has an emotional connection with its customers. Your personal brand and your business brand need to accomplish the same goal. *Fast Company* magazine identifies personal marketing as one of the first steps for Gen Y entrepreneurs to start their own business: "One of the most important requirements of entrepreneurship is the ability to sell yourself and your ideas." Lindsey Pollak, "Gen Y Entrepreneurs: Here Are the First Steps to Starting Your Own Business," *Fast Company*, March 15, 2009,

<http://www.fastcompany.com/blog/lindsey-pollak/next-generation-career-advice/are-you-gen-y-considering-entrepreneurship-first-s> (accessed September 28, 2009).

Video Clip

Evolution of a Business Plan

(click to see video)

Listen to David Fox, founder and CEO of Brave Spirits, discuss the role and evolution of his company's business plan.

Just as you use your résumé to tell “stories” about your three brand positioning points for your personal brand, your business plan pitch should be equally concise and powerful. Although you have worked for hours (probably months, if not years) on your business plan, your presentation or pitch should focus on the key points and demonstrate not only that it is a potentially profitable business idea (or nonprofit organization that can achieve its goals) but also that you are the right person to make the concept come alive.

Gen Y Entrepreneurs: Get Ready to Sell...Yourself

Fast Company magazine suggests Gen Yers start marketing themselves as a brand even before they start their business. Here are some things you can do now:

- Join professional organizations and become visible, especially to high-profile people in the industry.
- Volunteer at a nonprofit organization that is related to the business you want to start. Demonstrate the quality of your work by working on a committee or major project that is important to moving the organization forward.
- Get a mentor who will give you personal guidance and advice on your career, business idea, and resources.
- Write a blog, post entries to Twitter, share your observations and theories, and get feedback.
- Read everything you can about the industry you want to enter. Lindsey Pollak, “Gen Y Entrepreneurs: Here Are the First Steps to Starting Your Own Business,” *Fast Company*, March 15, 2009, <http://www.fastcompany.com/blog/lindsey-pollak/next-generation-career-advice/are-you-gen-y-considering-entrepreneurship-first-s> (accessed September 28, 2009).

KEY TAKEAWAYS

- A **business plan** is a road map for your business and a tool to present your business idea to potential resources and investors.
- A **business plan** has certain key elements, including a statement of purpose and marketing, operational, and financial plans.
- An **investor** is a person or organization that provides financial or other support to your business.
- Types of **investors** include banks, **private investors**, **venture capitalists**, equipment-leasing companies, and government programs.
- When you present your **business plan** to prospective **investors**, you are selling more than your idea; you are selling yourself.

EXERCISES

1. Assume you are starting an online business called FitMePerfect.com, a Web site where customers can order jeans made to their exact body measurements. What kind of information would you include in the marketing plan section of your business plan?
2. Contact a local bank and talk to the commercial lending officer to find out the process for applying for a business loan.
3. Discuss three things you can do now to prepare for a career as an entrepreneur.

15.3 *Selling U*: Inspiration, Resources, and Assistance for Your Entrepreneurial Journey

LEARNING OBJECTIVES

1. Meet some experienced entrepreneurs and learn from their successes and failures.
2. Understand the resources available to help you pursue your entrepreneurial dream.

Meet Some Entrepreneurs

This chapter is only the beginning of thinking about selling your idea and yourself. It's designed to inspire the entrepreneurial spirit in you. *Selling U* is a resource section for each chapter that provides information about how to use the concepts in "real life." This chapter is no different. The previous chapter sections of *Selling U* have included resources to build your personal brand; this chapter includes insights and information about how to apply those concepts to pursue a career in an entrepreneurial environment.

Hear and read about the success and lessons from some of the best in the business. If experience is the best teacher, these entrepreneurs are excellent professors.

Business:	Gotham Dream Cars
Entrepreneur:	Noah Lehmann-Haupt
Video:	How leasing luxury cars became a multimillion-dollar business http://www.openforum.com/idea-hub/topics/innovation/video/small-business-rules-gotham-dream-cars-small-business-rules

Business:	Jaguar Builders
Entrepreneur:	Sherman “West” Westmoreland
Article:	<p>How a quadriplegic became one of Florida’s most successful homebuilders</p> <p>http://findarticles.com/p/articles/mi_hb4927/is_2_57/ai_n32018572/</p>

Business:	BTRR Ventures (stands for Back to the Roots)
Entrepreneurs:	Nikhil Arora and Alex Velez
Article:	<p>Interview with two college seniors started a company to recycle coffee waste</p> <p>http://www.fastcompany.com/blog/tom-musbach/control-your-career-destiny/2-green-entrepreneurs-take-coffee-waste</p>

Business:	Live Green
Entrepreneur:	Steve Ma
Article:	<p>How the organization that connects customers with eco-friendly businesses in the Washington, DC, area got started</p> <p>http://findarticles.com/p/articles/mi_7560/is_200907/ai_n35629263/?tag=content;col1</p>

Business:	Deano's Italian Grille and Brick Oven Pizza, Smokin' Lobos Barbecue and Grill, Scoops, downtown lofts, and more
Entrepreneur:	Josh Nichols
Article:	<p>How Nichols brought entrepreneurship and urban development to Dublin, Florida.</p> <p>http://www.allbusiness.com/real-estate/commercial-residential-property-property/12346813-1.html</p>

Business:	Chic Gems, Etc.
Entrepreneur:	Sarah Radford
Article:	<p>This former top medical sales rep shares how she turned life’s lemons into lemonade by starting her own jewelry design business and her tips for success</p> <p>http://www.toiletpaperentrepreneur.com/blog/guest-post-from-sales-rep-to-fashion-designer-a-story-about-making-lifes-lemons-into-lemonade-by-sarah-radford-of-chic-gems</p>

Business:	Sweat Fitness Gyms
Entrepreneur:	Scott Caplan
Video:	<p>How Sweat Fitness does what it takes to keep memberships during the recession</p> <p>https://www.openforum.com/idea-hub/topics/money/video/msnbc-whats-the-deal-msnbcs-your-business-small-biz-inspiration</p>

Business:	CaseStack, a logistics outsourcing company
Entrepreneur:	Dan Sanker
Article:	<p>A virtual ride-along with Sanker as he talks about how the business got started and the thrills and challenges of being an entrepreneur</p> <p>http://www.e-shadow.com/interview-with-an-entrepreneur- dan-sanker-of-casestack</p>

Business:	Stonyfield Farms, organic yogurt products
Entrepreneur:	Gary Hirshberg
Video:	<p>How the company became a 25-year overnight success</p> <p>https://www.openforum.com/idea-hub/topics/money/video/ make-a-superior-product-ny-times-small-business-summit</p>

Business:	Wish of a Lifetime
Entrepreneur:	Jeremy Bloom
Article:	<p>How Bloom started his nonprofit organization for seniors</p> <p>http://sportsillustrated.cnn.com/vault/article/magazine/MAG1164278/index.htm</p>

Business:	Brave Spirits
Entrepreneur:	David Fox
Videos:	<p>How Brave Spirits was started</p> <p>http://www.youtube.com/watch?v=xm-9evHv2wA</p> <p>Brave Spirits</p> <p>http://www.bravespirits.com</p>

Advice from the Masters: Famous Entrepreneurs Share Their Lessons

Video Clip

Generation Next

Global entrepreneurs share their advice for the next generation of entrepreneurs.

<http://www.ey.com/GL/en/Issues/Driving-growth/WEOY-2009---Conversations-with-entrepreneurs---advice-for-future-generations---part-1>

<http://www.ey.com/GL/en/Issues/Driving-growth/WEOY-2009---Conversations-with-entrepreneurs---advice-for-future-generations---part-2>

Video Clip

Balancing Act

Restaurateur Tom Colicchio (*Top Chef*) and Sarah Molten (formerly of *Gourmet* magazine) discuss the balance between being a CEO and entrepreneur.

<https://www.openforum.com/idea-hub/topics/managing/video/ceo-vs-entrepreneur-inside-the-entrepreneurial-mind-series>

Link

Secrets of Success

Seven famous entrepreneurs share the secrets of their success...and their mistakes. Wally Amos (Famous Amos Cookie Co.), Daymond John (FUBU), David Liu (The Knot), Jim Koch (The Boston Beer Co.), Liz Lange (Liz Lange Maternity), Adam Lowry and Eric Ryan (Method), and Gary Hirshberg (Stonyfield Farm) share what they learned the hard way in this article that appeared in *USA Today*.

<http://www.usatoday.com/money/smAllBusiness/startup/week3-famous-founders.htm>

Link

Even the Best Fail

Even Steve Jobs, CEO of Apple, has had his share of failures. The article highlights the ten Apple products that didn't make it.

http://www.newlaunches.com/archives/top_10_apple_products_which_flopped.php

Link

In the Beginning

Ten great entrepreneurs, including Gordon Segal (Crate and Barrel), Robert Redford (Sundance Institute), Mary Kay Ash (Mary Kay Cosmetics), and Jerry Yang (Yahoo!) talk about their start-up days in this slide show.

<http://www.inc.com/ss/10-great-entrepreneurs-talk-about-their-start-days#0>

Best in Class

Want to know the best of everything entrepreneurial? Check out these lists, articles, and slide shows. These are just a few of the many resources available. You may also find it helpful to do a Google search to read about successful entrepreneurs in your city.

- **Top home-based businesses (slide show).** <http://www.inc.com/ss/11-businesses-you-can-start-your-pajamas-2009>
- **Best industries for starting a business (slide show).** <http://www.inc.com/ss/best-industries-for-starting-a-business#0>
- **Top green companies (slide show).** <http://www.inc.com/ss/2009-inc-500-top-green-companies>
- **Top ten Asian-run companies (slide show).** <http://www.inc.com/ss/2009-inc-500-top-10-asian-run-companies>
- **Top ten Hispanic entrepreneurs of 2009 (article).** http://www.poder360.com/article_detail.php?id_article=2715
- **Top ten black entrepreneurs (slide show).** <http://www.inc.com/ss/2009-inc-500-top-10-black-run-companies>
- **Top women entrepreneurs in tech (article).** <http://www.fastcompany.com/magazine/132/the-most-influential-women-in-technology-the-entrepreneurs.html>
- **Top five business books for college entrepreneurs (article).** <http://www.college-startup.com/entrepreneur/top-5-business-books-for-college-entrepreneurs>

Entrepreneurial Resources

No matter what stage you are in your entrepreneurial journey, there are resources to help you get to the next step. Table 15.1 "Entrepreneurial Resources" includes some of the best places to begin your research.

Table 15.1 Entrepreneurial Resources

Resource Name and Web Site	Description
Government Resources	
Small Business Development Centers http://www.sba.gov/aboutsba/sbaprograms/sbdc/	1,100 branch offices of the Small Business Administration; provide free one-on-one counseling and other resources
SCORE (Service Corp of Retired Executives) http://www.score.org/index.html	SBA partner; counselors to America's small businesses; free one-on-one counseling and other resources
SCORE Resources for Young Entrepreneurs http://www.score.org/topics/young-entrepreneurs	Free tools and advice to start your journey
Small Business Administration http://www.sba.gov/	Free tools and resources for small businesses including online Start-up Assessment Tool
United States Chamber Small Business Center	Arm of the United States Chamber of Commerce; comprehensive free resources for small businesses

Resource Name and Web Site	Description
http://www.uschamberssmallbusinessnation.com/toolkits/start-up	
<p>Government Resources for Small Businesses</p> <p>http://www.businessweek.com/smallbiz/content/mar2009/sb2009032_175015.htm?chan=smallbiz_smallbiz+index+page_top+small+business+stories</p>	<p>Free resources from the government to support small businesses</p>
Trade Journals	
<p><i>Inc.</i> magazine</p> <p>http://www.inc.com</p>	<p>Online articles and hard copy magazine with news, tips, and insights for and about entrepreneurs</p>
<p><i>Entrepreneur</i> magazine</p> <p>http://www.entrepreneur.com/</p>	<p>Online articles and hard copy magazine with news, tips, and insights for and about entrepreneurs</p>
Organizations and Networks	
<p>Entrepreneur's Organization (EO)</p> <p>http://www.eonetwork.org/Pages/default.aspx</p>	<p>Online network and chapters throughout the United States</p>
<p>Collegiate Entrepreneurs' Organization (CEO)</p> <p>http://www.c-e-o.org</p>	<p>Online network and chapters throughout the United States</p>

Resource Name and Web Site	Description
Entrepreneur America http://www.entrepreneur-america.com	Mentoring services for small businesses and start-ups
Springboard Enterprises https://www.springboardenterprises.org	National nonprofit dedicated to accelerating women entrepreneurs
Women Entrepreneurs in Science and Technology (WEST) http://www.westorg.org	Nonprofit organization dedicated to supporting women entrepreneurs in science and technology
International Organizations	
The Indus Entrepreneurs (TIE) http://www.tie.org	International nonprofit for the advancement of entrepreneurialism
International Council for Small Businesses http://www.icsb.org	Advancing entrepreneurship worldwide
Research and Resources	
Kauffman Foundation http://www.kauffman.org	Organization to connect entrepreneurs and provide resources

Resource Name and Web Site	Description
<p>Global Entrepreneurship Monitor</p> <p>http://www.gemconsortium.org</p>	<p>Organization to connect entrepreneurs and provide resources</p>
<p>A Few Blogs and Twitter Posts Worth Reading</p>	
<p>Guy Kawasaki</p> <p>http://holykaw.alltop.com/</p> <p>http://twitter.com/GuyKawasaki</p>	<p>Blog and microblog on entrepreneurial issues, tips, new technology, and more</p>
<p>Seth Godin</p> <p>http://sethgodin.typepad.com/</p>	<p>Entrepreneurial thoughts of the day</p>
<p>Michael Simmons</p> <p>http://twitter.com/michaelsimmons</p> <p>http://www.facebook.com/michaelsimmons#/michaelsimmons?v=wall</p>	<p>Part motivation, part entrepreneurial insights</p>
<p>Start-up Spark</p> <p>http://www.bizzia.com/start-upspark/</p>	<p>Daily insights on entrepreneurial businesses</p>
<p>Mark Cuban</p>	<p>Entrepreneurial insights from the owner of the Dallas Mavericks</p>

Resource Name and Web Site	Description
http://blogmaverick.com/	
Books	
Guy Kawasaki's books http://www.guykawasaki.com/books/index.shtml	
Seth Godin's books http://www.amazon.com/s/ref=nb_ss?url=search-alias%3Daps&field-keywords=seth+godin&x=0&y=0	
Jeffrey Gitomer's books http://www.amazon.com/s/ref=nb_ss?url=search-alias%3Daps&field-keywords=jeffrey+gitomer&x=0&y=0	
The best business books by entrepreneurs http://www.inc.com/multimedia/slideshows/content/ceo-bookshelf_pagen_1.html	
Free and Low-Cost Business Tools and Software	
10 Free or Cheap Tools for Start-ups	

Resource Name and Web Site	Description
http://www.inc.com/ss/10-free-or-cheap-tools-start-ups?nav=mostpopular#0	
<p>Great No-Cost Software</p> <p>http://www.inc.com/magazine/20090901/great-no-cost-software.html?nav=mostpopular</p>	
<p>Miscellaneous (worth checking out)</p>	
<p>How-to Guides for Start-ups</p> <p>http://www.inc.com/resources/start-up</p>	
<p>E-commerce Starter Kit</p> <p>http://www.inc.com/guides/sales/20696.html</p>	
<p>American Express Open</p> <p>http://www.openforum.com</p>	<p>Articles, videos, and forum for and about entrepreneurs</p>

Don't stop here! Look up local entrepreneurial organizations and get involved. Meet people, learn the ropes, and share your passion. If you have the entrepreneurial spirit, go for it and enjoy the journey!

15.4 Review and Practice

Power Wrap-Up

Now that you have read this chapter, you should be able to understand the opportunities and resources available to pursue a career as an entrepreneur.

- You **understand** that entrepreneurs have a dream and are willing to take the risk to change the way things are done and the way people think.
- You can **describe** the impact that entrepreneurs have on the economy.
- You can **discuss** the free market system in which entrepreneurs can thrive.
- You can **identify** reasons and motivations for being an entrepreneur.
- You can **recognize** opportunities for social entrepreneurialism.
- You can **describe** the elements of a business plan.
- You can **list** the different types of investors.
- You can **appreciate** the lessons learned from experienced entrepreneurs.
- You can **understand** what resources are available to help you realize your dream and start your business.

TEST YOUR POWER KNOWLEDGE (ANSWERS ARE BELOW)

1. What is entrepreneurship?
2. Name the government agency that oversees all policies and protects the interests of small businesses.
3. Why is a free market system a good environment for entrepreneurs?
4. Describe social entrepreneurialism.
5. Describe a business plan.
6. Name five different types of investors.
7. Identify at least one entrepreneur who inspires you.
8. List three resources that can help you to start your entrepreneurial journey.

POWER (ROLE) PLAY

Now it's time to put what you've learned into practice. The following are two roles that are involved in the same selling situation; one role is that of the investor and the other is that of the entrepreneur. This will give you the opportunity to think about this selling situation from the point of view of both the investor and the entrepreneur.

Read each role carefully along with the discussion questions. Then, be prepared to play either of the roles in class using the concepts covered in this chapter. You may be asked to discuss the roles and do a role-play in groups or individually.

Pitch Your Plan

Role: Potential investor from Gateway Investment Partners

You have invested in several entrepreneurial start-ups over the years, and you are looking for the next great business idea. You've been talking to young entrepreneurs, but you haven't seen a business that you think is compelling. You're looking for a great idea and a smart, passionate entrepreneur who knows what it takes to build a business.

- What are the characteristics you are looking for in an aspiring entrepreneur?
- Is the idea a viable one? Does it have the potential to be profitable? Has the entrepreneur clearly communicated the opportunity in the business plan?
- Why would you be willing (or not willing) to invest in this business idea?

Role: Entrepreneur

You have an idea for a new business called FILL. It is a store that sells eco-friendly household cleaning products in bulk; customers buy a container or bring their own and fill each with products. Customers may also recycle any containers at the store. The products are sold by the ounce. Your philosophy is to make it easy for customers to save the planet. You have an opportunity to get some seed money to start your business if you successfully pitch your business idea to the potential investor from Gateway Investment Partners.

- How would you sell yourself and your idea to a potential investor?

- How do you make your passion for the idea come alive?
- What are the key points in your business plan?
- How do you use your selling skills to secure funding from this investor for your new business idea?

PUT YOUR POWER TO WORK: SELLING U ACTIVITIES

1. Identify at least one local entrepreneur. Make an appointment to meet her and learn about how she started her business.
2. Watch the video book brief for Guy Kawasaki's book *Reality Check: An Irreverent Guide to Outsmarting, Outmanaging, and Outmarketing Your Competition* at http://www.bnet.com/2422-13724_23-243321.html. Describe the concept of "frame or be framed."

TEST YOUR POWER KNOWLEDGE ANSWERS

1. Starting a new concept as a result of an idea that fills a need and taking the risk to bring the idea to market.
2. Small Business Administration (SBA).
3. Free market system is an economy in which an individual's success is dictated by demand on the part of the consumer, not by the government, so it encourages entrepreneurialism.
4. Social entrepreneurialism: using the concepts of entrepreneurialism to bring about social change.
5. A business plan is a road map that includes the who, what, when, where, why, and how about the business or organization.
6. Bank, private investor (also called angel investor), venture capitalist, equipment leasing company, and government program.
7. Describe one of the entrepreneurs discussed in the chapter who inspires you.
8. Identify at least one resource from Table 15.1 "Entrepreneurial Resources".