***Entrepreneurship***

**Chapter 1: The Entrepreneurial Perspective**

**Review Questions**

1. What factors contribute to a growing interest in entrepreneurship?
2. unemployment levels
3. low job turnover rates
4. increasing levels of creativity
5. decreasing rates of discrimination

Answer

A. unemployment levels

1. Angel investors contribute to the entrepreneurial world by \_\_\_\_\_\_\_\_.
2. outpacing venture capitalists in access to startup funds
3. directly investing in entrepreneurial startups
4. holding seminars to teach people how to become an entrepreneur
5. forming groups of other investors to supply greater quantities of investment funds to entrepreneurs.

Answer

B. directly investing in entrepreneurial startups

1. An entrepreneur is someone who \_\_\_\_\_\_\_\_.
2. creates a small business based on other existing businesses
3. creates a home-based business that sells products available through other retailers
4. creates a business around the idea of solving a problem
5. is highly creative

Answer

C. creates a business around the idea of solving a problem

1. Roxanne Quimby of Burt’s Bees is an example of an entrepreneur primarily for which of the following reasons?
2. She saw available resources and recognized the resources could be used to create a business.
3. She acted on her passions.
4. She solved a significant societal problem.
5. She had the time and energy to dedicate to starting business.

Answer

B. She acted on her passions.

1. In the early stages of developing an entrepreneurial venture, the entrepreneur might seek funding from which group?
2. venture capitalists
3. the local bank
4. friends and family
5. shark tank

Answer

C. friends and family

1. The acronym SMART for goal setting stands for \_\_\_\_\_\_\_\_.
2. short-term, measurable, accurate, relevant, and timely
3. specific, measurable, accurate, relevant, and timely
4. specific, measurable, achievable, realistic, and time oriented
5. specific, measurable, achievable, results, and time oriented

Answer

D. specific, measurable, achievable, results, and time oriented

1. A vision statement does not include \_\_\_\_\_\_\_\_.
2. a picture of the future described in words
3. concepts and ideas that inspire and focus people’s actions toward a united outcome
4. both creative and exploratory process in creating the vision
5. the scope of the venture

Answer

D. the scope of the venture

1. Which one of the following is not a quantifiable result?
2. 5 percent annual growth in sales
3. increase market share by 2 percent
4. decrease collection of accounts receivable by $5,000.00
5. increase creativity throughout the venture

Answer

D. increase creativity throughout the venture

1. Which of the following is not a creativity building technique or tool?
2. conducting a case study
3. brainstorming activities
4. mind map creation
5. brain writing

Answer

A. conducting a case study

1. Disruptive technologies include all but which of the following?
2. new methods or approaches that make established methods obsolete
3. self-booking of air travel
4. restaurant food delivery services
5. a change from ownership of resources to the ability to have access to resources

Answer

C. restaurant food delivery services

1. The entrepreneurial mindset includes \_\_\_\_\_\_\_\_.
2. a willingness to develop ideas that are not always initially popular
3. a willingness to wait for an idea to become popular before moving forward with that idea
4. an ability to focus on past successes
5. a belief in following tradition and established patterns

Answer

A. a willingness to develop ideas that are not always initially popular

**Case Questions**

1. What suggestions could you make to Angad Daryani on other products that would fit his focus on improving the lives of people?

Answer

Other products could include low-cost filtration for hospitals, schools, and commercial buildings; a low-cost version of his filter for high-polluting trucks and buses; a different version to filter polluted water; a portable version for individuals, especially elderly and young people at high risk for respiratory disease.

2. On Angad Daryani’s website, he says he believes “that the path humanity follows, need to be pivoted for the better.” What other needs or problems do humans have? Create a list of twenty needs that would fit Angad Daryani’s belief statement.

Answer

Answers will vary. Some needs would include hunger, healthcare, shelter, clean water, education, employment, independence, prosperity, capital, clothing, community, family, transportation, clean air, confidence, happiness, security, respect, loyalty, and love.

1. Research Miracle Messages. Identify Miracle Messages’s vision statement, mission statement, and value statements. Do not copy their statements, but rather create your own statements based on what you would create if you were the lead entrepreneur for this organization.

Answer

Vision statement: End homelessness. Mission statement: Provide solutions for individuals who are alone or homeless in order to improve their lives as part of a community. Possible value statement topics: Personal dignity; individual service; community for all; pathways to independence; teamwork; integrity; respect.

1. Identify five other organizations that have services or products that you would want to partner with if you were the lead entrepreneur of Miracle Messages. What value does each of these five organizations provide to Miracle Messages’ vision, mission, and value? What services or products are not supported either through Miracle Messages or the five organizations you addressed? What new for-profit or nonprofit could be created as a spinoff idea from your research on Miracle Messages?

Answer

1. Salvation Army: Helping all in need with food, shelter, clothing. 2. Habitat for Humanity: Volunteers building low-cost homes for those in need. 3. Gary Sinise Foundation: Providing emotional and physical support and resources for veterans. 4. Women In Need: New York-based group to help women and children who have been abused with housing and other support. 5. Catholic Charities: National group with local chapters, fourth largest in the US, focused on financial and other support to needy families without requiring a parish affiliation. Other services *not* provided are education or direct support to start a business. One spinoff could be a “microfinance” nonprofit providing small- ($550–$1000), no- or low-interest loans to help jump-start small businesses, especially in deprived areas.

1. Review the website [http://www.coastaltractor.com/](http://www.coastaltractor.com/%20) to learn more of about Coastal Tractor. What spinoff ideas could you identify using this same technology or concept as the bug vacuum?

Answer

Other ideas could include precise spray irrigation (push fine mist vs. pull bugs); gentle harvest machine for easy-to-pull crops; bolt-on shredder for removing stalks or residual plants after harvest; spray seeder for spring planting.

1. In reviewing Coastal Tractor’s website, what evidence of an entrepreneurial mindset is present within this company’s website?

Answer

Even though Coastal Tractor is a division of a *major* global corporation (Case New Holland), Mike Riana’s intro video demonstrates personal *and* local commitment to their customers: “We are Coastal Tractor,” “Blue is in our blood,” and “We do what it takes to get the job done” reflect a “hands-on” philosophy and unyielding commitment to their customers. The website is also “homey” and appealing without appearing artificial.

1. Do you think Coastal Tractor is using a disruptive technology? Why or why not?

Answer

It should be considered “low-end disruption” because the bug vacuum uses old but more durable material and other existing technologies in a system that is low cost to run but more durable than fiberglass.

***Entrepreneurship***

**Chapter 2: Entrepreneurial Journey and Pathways**

**Review Questions**

1. Why is interest in entrepreneurship growing among those entering or re-entering the workforce?

Answer

There is a safety net in knowing the option to re-enter the job market is available when the economy is strong. It promotes personal self-confidence. There is also an increase in employers hiring contract or temporary workers. The gig economy/freelance options, infrastructure support, and funding options are also factors.

1. What is an entrepreneurial mindset?

Answer

An entrepreneurial mindset is a progressive way of thinking with an intent toward engaging in entrepreneurial activities, productions, or solutions from a willingness to accept and act on new information.

1. What does the phrase “entrepreneurial venture” refer to?

Answer

Entrepreneurial venture refers to any business, organization, project, or operation that might require a significant amount of activity, risk, sacrifice, or investment to achieve specific entrepreneurial goals or results.

1. What does the process of “cash management” entail for a business?

Answer

Cash management includes the management of cash inflows and outflows to support the cash needs of the venture.

1. Why is the entrepreneurial process considered a fluid process rather than a rigid step-by-step guide?

Answer

The world is dynamic. New information and unexpected twists and turns require an openness to adjusting to these changes.

1. What does the term “creative destruction” mean?

Answer

Creative destruction refers to Joseph Schumpeter’s theory that innovation would destroy established corporations to create new ones.

1. What is the difference between a corporate entrepreneur and an intrapreneur?

Answer

A corporate entrepreneur develops new ideas, opportunities, or ventures through formal research and development processes that are focused on the corporation’s strategy and goals. An intrapreneur is a person who acts as an entrepreneur but in the role of an employee within an organization.

1. What are situational opportunities?

Answer

They depend on factors such as where you work, your family obligations, your idea or invention, creative expression, or a recent career search or job change. The evolution of entrepreneurship, your own receptiveness to entrepreneurial thinking, and many existing and emerging platforms make this possible. Or an opportunity might become available due to status, situation, or condition.

1. What does an entrepreneurial journey entail?

Answer

An entrepreneurial journey entails an understanding of or selection from among a series of decisions, opportunities, or obstacles with seven steps that assist with the advancement toward an entrepreneurial goal or dream.

1. Under which circumstances might a person choose to bootstrap a venture?

Answer

A person might bootstrap when the venture is not yet large enough or perfected to the point when attracting outside financing is feasible or when the entrepreneur decides to use his or her own resources.

1. What is an independent contractor?

Answer

An independent contractor is a self-employed individual who is contractually obligated to complete project work.

1. What does the term “framework” mean in terms entrepreneurship?

Answer

Framework refers to a structure or outlined process that can be used as the basis for developing or improving a venture.

1. What is an action plan? How is it different from a framework?

Answer

An action plan is an organized, step-by-step outline or guide that pulls together the ideas, thoughts, and key steps necessary to help set the stage for entrepreneurial success. A framework is a structure or outlined process that can be used as the basis for developing or improving a venture.

1. Why are action plans useful in the development or improvement of a venture?

Answer

Action plans provide a logical sequence of actions necessary for success and assist in planning that avoids missing steps or relevant actions that support the venture’s success.

1. What are the characteristics associated with traditional entrepreneurship?

Answer

People involved in traditional entrepreneurship are often individuals who did not fit in a typical organizational structure or people who had the intelligence, creativity, imagination, and funding to launch out on their own venture with a focus on creating a service or product that resulted in sales and return on investments.

1. What are some biases that minorities and women face in acquiring funding?

Answer

Minorities and women are often faced with the biases that come from “bro-culture.” Investors tend to ask women more skeptical questions. Minority-owned firms are often denied additional credit.

**Case Questions**

1. Review the story of Sixto Cancel and his journey to developing the social venture Think of Us.
2. Consider Sixto’s entrepreneurial journey and the development of Think of Us*.* What types of challenges or obstacles do you think he had to overcome to complete his journey?

Answer

Some challenges Sixto faced include a wide range of locations, access to central decision makers, convincing decision makers to adopt and support his technology and help him, accepting change, and gathering and connecting people from different walks of life and population segments.

1. Discuss some of the advantages and disadvantages related to Sixto Cancel’s background and his experiences in developing an organization and board.

Answer

One advantage is that he came through the foster-care system and knew its challenges, drawbacks, and policies. These same areas could have also created disadvantages by making him think he could not make a difference being one person growing up in foster care.

1. Consider how Sixto Cancel developed his organization. Discuss how he followed or skipped any steps of an entrepreneurial journey.

Answer

He created an infrastructure that led to the first ever White House Foster Care and Technology Hackathon, resulting in new federal regulations, new funding for tech in foster care, six additional hackathons, and local technology initiatives, and shifted the national conversation about foster care and technology. Similar to building and managing resources in the community, federal and state groups, and for technology, he inspired and motivated others, and helped launch navigation and creation of Software as a Service.

1. Explore the websites of Cratejoy and Prospurly, which are discussed in Entrepreneurship in Action: Prospurly ([https://openstax.org/books/entrepreneurship/pages/2-1-overview-of-the-entrepreneurial-journey#fs-idm388084848](https://openstax.org/books/entrepreneurship/pages/2-1-overview-of-the-entrepreneurial-journey%23fs-idm388084848)). How did these venture founders follow the entrepreneurial journey?

Answer

They took the first step in their idea, focused on managing resources, evaluated the time needed to work on developing the venture, defined the milestones/breakeven point, and went through inspiration, preparation, assessment, and navigation launch.

1. After researching Man Crates, explain how Man Crates has followed the model in Figure 2.20 (<https://openstax.org/books/entrepreneurship/pages/2-2-the-process-of-becoming-an-entrepreneur#OSX_Eship_02_02_Lifecycle>)?

Answer

The conception stage recognized the opportunity that men’s gifts lacked inspiration and fun. The company developed its idea by test marketing limited items, built support by offering coupons for a second purchase because of initially limited production, combined stages 3 and 4, grew at 4,900 percent over three years, had multiple rounds of investors to support growth, and began ROI in stage 6, where the company currently stands.

1. What additional ideas can you think of for starting your own business, using Man Crates as a source of inspiration?

Answer

Answers will vary but may address what other experience-related fun ideas add a twist to products currently available. Note that Man Crates doesn’t make the products it sells; it just makes receiving the products more fun and engaging.

1. Go back to the Work It Out: Startup Ideas Feature Box (<https://openstax.org/books/entrepreneurship/pages/2-3-entrepreneurial-pathways#fs-idm213938400>). Select either an idea that you’ve created or an idea listed on either of the websites. Where could you go to gain more information about this idea? This might mean finding a business where you could shadow someone, or perhaps an internship, or research conducted in some other manner.

Answer

Answer depends on the choice; some resources for information would include industry material, census bureau statistics, trade shows, or focus groups.

1. Return to the Work It Out: Startup Ideas Feature Box (<https://openstax.org/books/entrepreneurship/pages/2-3-entrepreneurial-pathways#fs-idm213938400>) and revisit the links to business ideas, using the same idea that you identified in question 1. What are five other businesses that could be spinoff ideas from your one new idea?

Answer

Answers will vary depending on the student’s focus and the student’s creativity and experiences.

1. Refer to the case questions in Entrepreneurial Pathways ([https://legacy-content01.cnx.org/content/m71123/latest/).](https://legacy-content01.cnx.org/content/m71123/latest/%29.%20) Select one of the framework tools discussed in this section and apply that framework to your idea.

Answer

Answers will vary.

1. Why did you select this framework over another framework?

Answer

Answers will vary.

1. By applying the framework to your idea, what new information did you learn and what information is lacking, or needs further development?

Answer

Answers will vary.