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SKU: 9781305102507-SOLUTIONS

CHAPTER 2

Preparing for the Entrepreneurial Journey

SUMMARY AND AUTHOR'S NOTE

Entrepreneurship is very much a mindset and personal journey that involves a set of skills that can be learned and applied in a variety of settings. This is important when you consider that about two-thirds of students will go to work for someone else, either as their career or to prepare themselves to go out on their own. Although we don't expect everyone to become entrepreneurs, we can enlighten our students and help them to see that learning some entrepreneurial skills and thinking like an entrepreneur can give them huge advantages in their career, whatever they choose to do.

Research has never proved that there are specific traits uniquely characteristic of entrepreneurs, not even my personal view that it takes passion to be an entrepreneur. The fact is that in any field or endeavor, similar characteristics apply—passion, perseverance, creativity, and so forth—whether you're an artist or an entrepreneur. However, entrepreneurs do have a skill set or set of behaviors that enables them to recognize an opportunity and pull together the resources necessary to commercialize that opportunity and create value. This skill set can be taught. This chapter will give students a good sense of what those entrepreneurial skills are and how they can apply the entrepreneurial mindset in their lives.

This chapter focuses on the students as individuals, to help them discover their personal likes and dislikes relative to business, prepare for the challenges of entrepreneurship, and refine their life goals. The supplementary lecture material suggests some ways students can explore the personal side of entrepreneurship.

CHAPTER OBJECTIVES

After reading this chapter, students will be able to:

- Dispel the myths about entrepreneurs.
- Understand the many pathways to entrepreneurship.
- Make entrepreneurship a way of life.
- Prepare to become an entrepreneur.

CHAPTER OUTLINE

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RELEVANT CASE STUDIES

Instructor notes for the following cases can be found at the end of this manual.

Case 5 Corporate Entrepreneurship and Innovation in Silicon Valley: The Case of Google Inc.

Case 7 Homerun.com

ANSWERS TO QUESTIONS ON KEY ISSUES

1. Why do myths emerge around phenomena such as entrepreneurs?

   In general, people rely on myths and stereotypes to categorize behavior or characterize individuals so that they can compare them to others. The media rely on myths and stereotypes to convey information quickly. Since entrepreneurs are such a diverse group, it is nearly impossible to formalize such generalizations.

2. How do corporate entrepreneurs differ from other types of entrepreneurs?

   Corporate entrepreneurs—those who act like entrepreneurs inside large companies—are distinct from other entrepreneurs in that they take on projects for their firms that the company would normally not touch. That is because these projects involve activities that are typically new to the company, so the risk of failure is high. There is also a high degree of uncertainty around such projects, so they are often managed separately from the core

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business activities. Recognizing that it is nearly impossible to re-engineer and redesign an entire organization, many companies have chosen from several options to simulate the entrepreneurial environment required for innovation to occur: Opportunistic model, enabler model, advocate model, or producer model.

3. What are the steps you should take to prepare yourself for entrepreneurship?

   To prepare for entrepreneurship, it is important to consider your reasons for wanting to own a business, assess your physical and emotional readiness, identify the kind of lifestyle you want to have, and determine the type of business environment that best suits you.

4. What might explain the rise in interest in social or nonprofit entrepreneurship?

   One could debate whether there is more interest in social entrepreneurship now or whether we're simply reading more about it or hearing more about it in the news. In any case, entrepreneurs who focus on solving social issues and problems and finding sustainable solutions with their businesses are increasing in number. Students will come up with a number of reasons, from climate change to poverty. The Internet, blogs, video sharing, and other means of communication have served to create heightened awareness of problems around the world. Entrepreneurs are problem solvers, so it is natural that some entrepreneurs would see opportunity in solving social problems.

5. Why are more ventures started by teams than by solo entrepreneurs?

   More ventures are started by teams because the global business environment is more complex and no one person has all the knowledge and experience to successfully launch a new venture. With a team, responsibility and risk are shared, and the team benefits from the aggregate experience, contacts, and financial statements.

SUGGESTIONS FOR EXPERIENCING ENTREPRENEURSHIP

1. Identify an entrepreneur who is leading the kind of personal and business life that you aspire to lead. Interview that person to find out more about how he or she achieved that lifestyle. During the interview, and only if the two of you have developed a rapport, approach the entrepreneur about the possibility of becoming your mentor.

   Encourage students to think boldly about whom they might want to interview. It is probably best to find someone within a reasonable distance of where the student lives, although phone mentoring sometimes works. Students should go to the interview having already done some background research on the entrepreneur and also prepared to give a compelling story about themselves to elicit interest from the entrepreneur in becoming a mentor.

2. Entrepreneurship is a journey, and many people contribute to that journey. Begin a contact portfolio that will contain the names of all the people you meet as you network. Record their contact information, how you met them, and what they contributed to your journey. Strive to meet three to five contacts a week.

   Three to five "strangers" a week is a lofty goal, but I have found that it is very doable. You might suggest to students that they average three to five per week. That way, if they attend one or two networking events during the course, they will probably pick up ten or more

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contacts that will balance the weeks in which they met only a couple of people. The point is to help them understand that networking is part of an entrepreneur's job. You never know when that one person you took the time to meet has the answer to a challenge you're facing or might lead you in a new, more profitable direction.

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