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Answers to Questions in the Text

Chapter 2: Practicing Entrepreneurship

ENTREPRENEURSHIP IN ACTION

Rob Hunter, Founder/CEO of HigherMe

1. Does Rob Hunter's story exemplify the linear "process" approach to entrepreneurship, the nonlinear "practice" approach, or both? Explain your answer.

Sample Answer: Rob Hunter's story exemplifies the nonlinear practice of entrepreneurship. Instead of starting out with a set plan aiming for a specific outcome by following a pre-determined checklist, Rob pursued creative opportunities as they presented themselves along his own, unique entrepreneurial journey.

2. In what ways do you agree with the goal "to not just make money off of [job applicants], but to help them succeed in their lives"? How does this fit with your image of entrepreneurship?

Sample Answer: Answers will vary from student to student. However, it should be noted that entrepreneurs who focus primarily on building relationships and developing people tend to be more successful and make more money in the long run than those who focus primarily on making money alone.

3. To what extent do desirable qualities in an employee differ from desirable qualities in a business owner or entrepreneur? Explain your answer and give examples.

Sample Answer: No matter what your position title, certain characteristics will prove universally beneficial. For example qualities, such as hard work, consistence, persistence, determination, honesty, trustworthiness, integrity, punctuality, good listening skills, being friendly and respectful, etc., are universally desirable in both employees and employers. Employees, however, will need to focus more on developing qualities of followership while employers will need to focus more on developing qualities of leadership.

Specific qualities of followership include loyalty and coachability (the ability to take feedback and direction and act promptly on it). Providing appropriate and timely feedback is also a component of followership (the terms "follower" and "followership" do not insinuate blind obedience to authority as a mere "yes man" or woman). Proactivity in one's performance and communication is also a vital component of followership.

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Qualities of leadership include teaching, training, coaching, mentoring, and the ability to give direction as well as to effectively facilitate, mediate, and resolve issues involving team morale, interpersonal conflict, and disciplinary measures. Leaders are also expected to spearhead, promote, and sustain the team and/or organizational vision, mission, values, and goals.

Research at Work

The Creation Approach

1. What strengths and weaknesses do you see in the creation view of entrepreneurship? Give some examples that would apply to real life.

Sample Answer: Flexibility is perhaps the greatest strength of the creation view of entrepreneurship. With a lack of prerequisite variables required to start a creative entrepreneurial project, virtually anyone can be a creative entrepreneur regardless of one's lack of capital, resources, personnel, certainty, or clear-and-present opportunities. Its weaknesses lie in its typical lack of these same variables (i.e., capital, resources, personnel, certainty, and clear-and-present opportunities).

Anything that was researched, developed, and brought to market "on purpose," with the end already clearly in mind (a specific vision and mission) would follow a predictive approach to entrepreneurship. Anything that was research, developed, and brought to market "by accident" or by virtue of an unpredictable evolution (a general vision and mission) would follow a creation approach to entrepreneurship.

An example of a predictive approach would be a large corporation (like Microsoft) purposely developing a product that resembles a successful product of a competitor (like Apple).

An example of a creation approach would be the initial research that led to 3M's famous "sticky notes," which was originally developed inadvertently as a failed experiment intended to develop an extremely strong adhesive. See URL: http://www.todayifoundout.com/index.php/2011/11/post-it-notes-were-invented-by-accident/ for more information on this fascinating story.

2. If you were asked to participate in Dr. Sarasvathy's study, how might she classify your ways of thinking and problem-solving?

Sample Answer: Answer will be unique to each student.

3. What additional research questions can you suggest that would shed light on how entrepreneurs think and solve problems?

Sample Answer: Answer is open to discussion. One possible area for research might involve mapping out entrepreneurial theories, models, and strategies for best utilizing both approaches

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(predictive and creation) in organized, yet flexible attempts to synergize the strengths from each approach in order to realize the best possible long-term result.

Research at Work

The Creation Approach

1. The co-founders of PYP worked on handshakes rather than contractual agreements when they started the business. How can you know if your partners are ethical and trustworthy?

Sample Answer: It is difficult to know for certainty whether or not a person is trustworthy and will act ethically in any given circumstance. However, the best indicator of future behavior is past performance. If you do not have ample past experience working with someone, or if that person has demonstrated unethical or untrustworthy behavior in the past, it is wise to "play it safe" and draw up legally binding written contracts.

2. Can you think of how to get co-founders to negotiate and sign contractual agreements without implying that there is a lack of trust?

Sample Answer: One way to accomplish this is to establish a company policy that "all contractual agreements" will be formalized in writing. By establishing a blanket policy as an overarching safeguard, you can avoid singling anyone out for added scrutiny in contractual situations.

3. If you were Minshew, would you have sued to get your $20,000 funds back? Or, like Minshew, would you have just moved on?

Sample Answer: Answer will vary from student to student. In light of Minshew's obvious success in moving on, however, it is worth emphasizing the point that future-focused efforts aimed at building something new are typically more productive and lucrative in the long run than protracted efforts to settle scores from the past.

Mindshift

The 3-Hour Challenge

1. What assumptions and beliefs did you have before starting the 3-Hour Challenge?

Sample Answer: Answers will vary from student to student.

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2. In what ways did the 3-Hour Challenge confirm your existing assumptions and beliefs? In what ways did it change them?

Sample Answer: Answers will vary from student to student.

3. What did you learn about yourself that was unexpected or surprising?

Sample Answer: Answers will vary from student to student.

Summary Questions

1. Compare and contrast the prediction and creation approaches to entrepreneurship.

The two main perspectives on entrepreneurship are the predictive approach, the older and more traditional view; and the creation approach, which has been developed through recent advances in the field. Prediction is the opposite of creation. Where prediction thinking is used in situations of certainty, the creation view is used when the future is unpredictable.

2. Create a portfolio of five skills essential to the practice of entrepreneurship

The five skills of play, empathy, creativity, experimentation, and reflection support the development of different parts of our entrepreneurial selves.

3. Distinguish between entrepreneurship as a method and a process.

The method of entrepreneurship outlines the tools and practices necessary to take action. Entrepreneurship as a process, instead, guides would-be creators along a thorough but static path from inception to exit.

4. Illustrate the key components of the practice of entrepreneurship.

The practice of entrepreneurship is designed so entrepreneurs can embrace and confront uncertainty rather than avoid it. The eight components include: reflect on your desired impact on the world; start with means at hand; describe the idea today; calculate affordable loss; take small action; network and enroll others in your journey; build on what you learn; and reflect and be honest with yourself.

5. Assess the role of deliberate practice in achieving mastery.

Practice does not make perfect; rather, deliberate practice makes perfect. Starting with specific goals, deliberate practice involves consistent, targeted efforts for improvement. Feedback and self-reflection are necessary for meaningful improvement, and repetition is required to achieve lasting results.

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Lecture Notes

Chapter 2: Practicing Entrepreneurship

Learning Objectives

- Compare and contrast the prediction and creation approaches to entrepreneurship.
- Create a portfolio of five skills essential to building a mindset for the practice of entrepreneurship.
- Distinguish between entrepreneurship as a method and the process of entrepreneurship.
- Illustrate the key components of the practice of entrepreneurship.
- Assess the role of deliberate practice in achieving mastery.

Two Main Perspectives on Entrepreneurship

- The Prediction Approach -Views entrepreneurship as a linear process where steps are followed and outcomes would be predictable.

Notes:
Prediction works best in times of certainty and when there is access to existing information and data upon which to base decisions. Prediction is the dominant logic of large, established organizations, where goals are predetermined, issues are transparent, and information is reliable and accessible. Under these circumstances, it is relatively straightforward to analyze a situation, define problems and opportunities, and diagnose and find solutions. Big organizations can use sophisticated planning tools to analyze past and present data in order to predict any shifts in the business landscape. Yet, this process is by no means foolproof, as demonstrated by many well-planned initiatives backed by large companies that do not end up succeeding.

Two Main Perspectives on Entrepreneurship

- The Creation Approach - Views entrepreneurship as a method that requires practice.

Notes:

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The creation approach is employed in times of uncertainty. For example, imagine that a couple of friends show up unexpectedly at your door one evening. Everybody is hungry, so you go through your kitchen cupboards to see what ingredients you can throw together to prepare a satisfactory meal. This is a simple example of creation thinking—creating something without a concrete set of instructions.

Prediction and Creation

Notes:
2.1 Compare and contrast the prediction and creation approaches to entrepreneurship.

Entrepreneurship: The Five Most Important Skills

- Play
- Empathy
- 3. Creativity
- 4. Experimentation
- 5. Reflection

The Skill of PLAY

- Frees the imagination
- Opens up our minds to opportunities
- Helps us become more innovative

The Skill of Empathy

- Understanding the emotion, circumstances, intentions, thoughts, and needs of others.
- Allows you to connect with potential stakeholders.
- Can help identify unmet needs

Notes:
Neck, H. Entrepreneurship Requires Practice: Part 1—The Five Practices. *Forbes*, September 9, 2014. Accessed October 4, 2014.
www.forbes.com/sites/babson/2014/09/09/entrepreneurship-requires-practice-part-1-the-five-practices

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The Skill of Creativity

- Requires openness to the world
- Entrepreneurs create opportunities instead of looking for them
- Taking action under conditions of uncertainty

The Skill of Experimentation

- Acting in order to learn
- Collect real-world information
- Test new concepts
- Asking questions
- Validating assumptions
- Based on action not research

The Five Skills

Critical Thinking Question

- To what extent do desirable qualities in an employee differ from desirable qualities in a business owner or entrepreneur? Explain your answer and give examples.

The Skill of Reflection

- Helps critically analyze our feelings and knowledge
- Provides new perspectives
- Evaluate outcomes
- Draw conclusions

Notes:
In spite of the benefits of reflection, and the substantial amount of research that supports its importance, we don't seem to practice it very much at all. When asked to reflect, we often don't really know how. Without intentional and focused reflection we simply simulate writing in a diary or journal, which is interesting practice, but it doesn't help us really learn from our actions.

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Six Ways to Practice Reflection

- narrative reflection
- emotional reflection
- perceptive reflection
- analytical reflection
- evaluative reflection
- critical reflection

Notes:
Neck, H. M., Greene, P. G. & Brush, C. (2014). Teaching Entrepreneurship: A Practice-Based Approach. Northhampton, MA: Edward Elgar Publishing; Brockbank, A., and McGill, I. 2007. *Facilitating Reflective Learning in Higher Education*, 2nd edn. New York: Open University Press.

Traditional Steps of Entrepreneurial Process

- Step 1. Think of an idea
- Step 2. Do market research
- Step 3. Get some financial projections
- Step 4. Find a partner/team
- Step 5. Write a business plan
- Step 6. Get financing
- Step 7. Find space, build a prototype, hire people
- Step 8. Bring your product/service to market
- Step 9. Manage the business
- Step 10. Plan an exit.

Entrepreneurship is more of a method than a process

- The process approach= planning and prediction
- The method approach= more trial and error based

Notes:
Entrepreneurship is certainly not linear or predictable; it is ill-defined, unstructured, and complex. In fact, some statistics shows that 8 out of 10 entrepreneurs who start businesses in the US fail within the first 18 months; others show that most failures occur in the first two years of business.

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Wagner, E. T. Five Reasons 8 out of 10 Businesses Fail. *Forbes*, September 12, 2013. Accessed October 4, 2014. www.forbes.com/sites/ericwagner/2013/09/12/five-reasons-8-out-of-10-businesses-fail/, Campbell, A. Business Failure Rates Highest in First Two Years. *Small Business Trends*, July 7. 2005. Accessed October 4, 2014. http://smallbiztrends.com/2005/07/business-failure-rates-highest-in.html

Ideas about the Method Approach

Notes:
Source: Neck, H.M., and Greene, P.G. 2011. Entrepreneurship education: Known worlds and new frontiers. *Journal of Small Business Management, 49*(1), 55–70.

Method vs. Process

Notes:
Source: Neck, H. M., Greene, P. G. & Brush, C. (2014). *Teaching Entrepreneurship: A Practice-Based Approach.* Northhampton, MA: Edward Elgar Publishing.

The Practice of Entrepreneurship

- Emphasizes smart action over planning
- Moves quickly from white board to real world
- Trying is a low-cost experiment
- Experiment with many new ideas simultaneously

Critical Thinking Questions

- What strengths and weaknesses do you see in the creation view of entrepreneurship? Give some examples that would apply to real life.
- What additional research questions can you suggest that would shed light on how entrepreneurs think and solve problems?

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Mindshift

Eight Components to the Entrepreneurial Mindset

- Reflect on your desired impact on the world.
- Start with means at hand.
- Describe affordable loss.
- Calculate the idea today.
- Take small action.
- Network and enroll others.
- Build on what you learn.
- Reflect and be honest with yourself.

Notes:
As you continue with the practice of entrepreneurship, you'll find that your affordable loss changes (usually increases) with each action. Why? Your idea receives greater validation, you have a solid and growing knowledge base, more people have joined your team, resource stocks increase, and your overall confidence in your ability to act grows. Through the practice you will manage to deal with extreme uncertainty, control it, and use it to help you create what others cannot.

Vera Bradley and Mary Kay tips for success

- Concentrate on what you do best
- Don't be satisfied with the status quo—innovate and practice continuous improvement
- Choose the right people to work with: vendors, bankers, and employees
- Networking is important; it's important when people like you and you like them
- Don't be afraid to take risks
- Take one day at a time
- Follow your passion and have fun!

Notes:
Santinelli, A., & Luecke, R. Vera Bradley (A). Babson Case Study #656-C-10, June 11, 2010.
Source: Baron, R. A., & Henry, R. A. 2010. How entrepreneurs acquire the capacity to excel: Insights from research on expert performance. *Strategic Entrepreneurship Journal,* 4: 49-65.

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Components of Deliberate Practice

- high levels of focus, attention, and concentration
- strengthens performance by identifying weakness
- must be consistent and be maintained
- must be repeated to produce lasting results
- requires continuous feedback
- involves setting goals
- involves self-observation and self-reflection

Notes:

Duvivier, R. J., van Dalen, J., Muijtjens, A. M., Moulaert, V., van der Vleuten, C., & Scherpbier, A. 2011. The role of deliberate practice in the acquisition of clinical skills. *BMC Medical Education*, 11: 101-108.

Why deliberate practice?

- Researchers found that over time, students who used deliberate practice were able to make more proficient use of their time, energy, and resources. In short, they seemed to "learn how to learn."

Entrepreneurial Theory

- Theory of Effectuation the idea that the future is unpredictable yet controllable and entrepreneurs can "affect" the future.

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Chapter Exercises and Projects

Chapter 2: Practicing Entrepreneurship

Chapter Learning Objectives:

2.1 Compare and contrast the prediction and creation approaches to entrepreneurship.

2.2. Create a portfolio of five skills essential to building a mindset for the practice of entrepreneurship.

2.3 Distinguish between entrepreneurship as a method and the process of entrepreneurship.

2.4 Illustrate the key components of the practice of entrepreneurship.

2.5 Assess the role of deliberate practice in achieving mastery.

Proposed Activities

Activity One: Prediction versus creation approaches

(This is a team exercise; it can be used for online, face-to-face, or a blended format)

The two main perspectives on entrepreneurship are the predictive approach, the older and more traditional view; and the creation approach, which has been developed through recent advances in the field. Prediction is the opposite of creation. Where prediction thinking is used in situations of certainty, the creation view is used when the future is unpredictable.

Divide the course into two teams—one that drafts all the benefits of tradition prediction approaches and cons of creation approaches to entrepreneurship and one the one that drafts all the benefits of creation prediction approaches and cons of prediction approaches. What entrepreneurial approach is most appropriate for contemporary business? What perspective is espoused by the authors of your text? How does that compare to yours?

Learning Objectives:

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1. Compare and contrast the prediction and creation approaches to

   entrepreneurship.

Activity Two: Theory of Effectuation

(This can be done solo or as a team exercise; it can be used for online, face-to-face, or a blended format)

In 1997, Dr. Sarasvathy conducted her seminal work on the theory of effectuation by conducting as case study of US entrepreneurships. As part of her research she conducted interviews with 30 entrepreneurs. If you were replicating her study now what would you do similarly? What if anything would you do differently?

Develop a set of interview questions that you would pose to entrepreneurs if you were conducting the interviews.

Go to: http://www.inc.com/magazine/20110201/entrepreneurship-interview-and-business-case-study.html

Learning Objectives:

2.1 Compare and contrast the prediction and creation approaches to entrepreneurship.

2.3 Distinguish between entrepreneurship as a method and the process of entrepreneurship.

2.4 Illustrate the key components of the practice of entrepreneurship.

Activity 3: Developmental Evaluation

(This can be done solo or as a team exercise; it can be used for online, face-to-face, or a blended format)

Creative approaches to entrepreneurship presume that you have to make constant adaptations and that you cannot predict implementation from start to finish. This is consistent with developmental evaluation. How might an entrepreneur use the principles of developmental evaluation to help implement a business?

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Please see: http://betterevaluation.org/en/plan/approach/developmental_evaluation

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Activity 4: Reflection

(This can be done solo; it can be used for online, face-to-face, or a blended format)

Discuss the role of reflection in the practice of entrepreneurship. Of the six types of reflection what method(s) to do tend to employ? Submit an example of reflection in any one of the methods. You may, for example, reflect on your experience in this course.

- narrative reflection,
- emotional reflection,
- perceptive reflection,
- analytical reflection,
- evaluative reflection, and
- critical reflection.[i]

Learning Objectives:

2.2. Create a portfolio of five skills essential to building a mindset for the practice of entrepreneurship.

2.3 Distinguish between entrepreneurship as a method and the process of entrepreneurship.

2.4 Illustrate the key components of the practice of entrepreneurship.

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2.5 Assess the role of deliberate practice in achieving mastery.

Activity 4: Deliberate Practice

(This can be done solo or as a team exercise; it can be used for online, face-to-face, or a blended format)

Discuss the role of deliberate practice in entrepreneurship. Provide example of how you already use deliberate practice. How might these skills help promote entrepreneurial success?

Components of Deliberate Practice

- It requires high levels of focus, attention, and concentration.
- It strengthens performance by identifying weakness and improving on them.
- It must be consistent and be maintained for long periods of time.
- It must be repeated to produce lasting results.
- It requires continuous feedback on outcomes
- It involves setting goals beforehand.
- It involves self-observation and self-reflection after practice sessions are completed.

Source: Baron, R. A., & Henry, R. A. 2010. How entrepreneurs acquire the capacity to excel: Insights from research on expert performance. *Strategic Entrepreneurship Journal,* 4: 49-65.

Learning Objectives:

2.2. Create a portfolio of five skills essential to building a mindset for the practice of entrepreneurship.

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Case Notes

Chapter 2: Practicing Entrepreneurship

Dr. Jordan Jensen: Writer, Speaker, & Entrepreneur

Summary

The story of Dr. Jordan Jensen provides a portrait of an a-typical entrepreneur, illustrating the point emphasized in this text that entrepreneurs come in a lot of different "shapes" and "sizes" to realize their dreams in a variety of ways. While traditional entrepreneurs typically develop and/or find a way to effectively market and sell a product or service, Jensen found a way to develop and market himself and his ability to effectively write and speak. After enduring much personal failure and flirting with bankruptcy, Jensen was able to turn things around to become a successful professional seminar facilitator. He also won the heart of a woman who agreed to marry him and that later landed a lucrative job with a Fortune 100 Company. Today, he is debt free and living his dream with the love of his life and their two children.

Analysis

Dr. Jordan Jensen's personal narrative provides a fascinating vignette into the creation viewpoint of entrepreneurship. Jensen did not pursue a predictive, much less a proven, pathway to success. Rather, through self-awareness and a great deal of focus and hard work, he was able to create a wonderful life and career for himself despite much ambiguity and uncertainty along the way. And the best part is that his design centered around two of his favorite professional activities: speaking and writing.

In realizing his goals and obtaining his success, Jensen utilized all five of the most important skills in the practice of entrepreneurship (play, experimentation, empathy, creativity, and reflection). Of these five, he was perhaps best at reflection and introspection. By carefully considering the results he was (or was not) getting in his life both personally and professionally, Jensen was able to make adjustments and keep trying until he eventually succeeded.

Jensen's unorthodox entrepreneurial journey is a good example of method entrepreneurship over process entrepreneurship. There was no clear "process" that Jensen followed to become a paid professional speaker and win the heart of his wife. However, by approaching his goals methodically and remaining committed to his long-term vision and then intentionally cultivating it through the art of deliberate practice, he was eventually able to realize his goals both personally and professionally.

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Sample Answers to Case Questions

Please include the questions along with the sample answers.

1. What are some ways in which you have already applied an entrepreneurial spirit to personal or professional activities you have undertaken in the past (whether or not earning money was involved)?

   Sample answer: Unique to each individual student.

2. What professional activities do you find most engaging and rewarding?

   Sample answer: Unique to each individual student.

3. What are some preliminary steps you could start taking to apply an entrepreneurial spirit to these activities?

   Sample answer: Unique to each individual student.

4. Jordan Jensen took advantage of opportunities in his life. Can you think of an opportunity in the past year or so that you chose to pass up? Was passing up this opportunity a wise decision? Why or why not?

   Sample answer: Unique to each individual student.

5. What opportunities are presently available to you that taking advantage of might bolster additional entrepreneurial opportunities in the future?

   Sample answer: Unique to each individual student.

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Experiential Exercises

Chapter 2: Practicing Entrepreneurship

Source: *Teaching Entrepreneurship: A Practice-Based Approach* (p. 105–109), by H. Neck, P. Greene, & C. Brush, 2014, Northampton, MA: Elgar.

Exercise: Puzzles and Quilts
Authors: Heidi Neck and Patricia Greene

Description
This exercise is an interactive challenge designed to help raise student awareness of the difference between predictive and creative thinking. It also is a strong illustration of how to gain a better understanding of the impact of increasing degrees of uncertainty on the entrepreneurial process. Given the unprecedented level of uncertainty in business and entrepreneurship, students must learn how to navigate effectively in an increasingly uncertain world.

The exercise consists of students starting in one room with the task of completing a jigsaw puzzle. Students are systematically moved to another room, where they are asked to create a quilt from a selection of fabric pieces. The debrief explores jigsaw puzzles as predictive, managerial thinking and quilt making as entrepreneurial, creative thinking. There is an optional debrief that includes leadership.

Usage Suggestions
Ideally, the exercise should be done on day one of a general entrepreneurship course as a way to set up how entrepreneurs think and the difference between entrepreneurial and managerial thinking. This exercise is ideal to illustrate the differences between the prediction and creation approaches illustrated in Chapter 2.

Learning Objectives
Experience the difference between prediction and creation.
Engage with conditions of uncertainty and ambiguity.
Illustrate how entrepreneurs think.

Materials List
Jigsaw puzzles (one per group, 300 pieces)
Fabric remnants (approximately six pieces per person)
Two rooms (one with tables equal to number of groups and one empty)

Pre-Work Required by Students
None.

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Theoretical Foundations

Neck, H. M. (2011). Cognitive ambidexterity: The underlying mental model of the entrepreneurial leader. In D. Greenberg, K. McKone-Sweet, and H. J. Wilson (Eds.), *The new entrepreneurial leader: Developing leaders who will shape social and economic opportunities* (p. 24–42). San Francisco: Berrett-Koehler.

Sarasvathy, S. (2008). *Effectuation: Elements of entrepreneurial expertise*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.

Schlesinger, L., & Kieffer, C. (2012). *Just start*. Cambridge, MA: Harvard Business School Press.

Time Plan (60–80 Minutes)

The exercise begins in a room with tables for each team. Students are asked to clear their table in preparation. The second room required is a large empty space. A table (fairly long) is placed in front of this room or space, and fabric pieces are piled on the table. The piles should be messy, with all the fabrics mixed up (not sorted by size, color, or any other dimension).

Puzzle time 0:00–0:05 (5 minutes)

Divide students into groups of five to seven and give them the following directions: "Your task is quite easy but you don't have a lot of time. Your goal is to put together the puzzle that is sitting on the table as fast as you possibly can. It's only 300 pieces! You can do it. Get started. You are being timed. Don't worry; there are no cameras in the room!"

Random pull-out to quilting room 0:05–0:30 (25 minutes)

Pull students at random from the puzzle room, one at a time, asking for one volunteer from each group. The individual volunteered or selected from each group is taken to the empty room with the table of fabric.

At the fabric table the first group is told: "Your new task is quite easy but you don't have a lot of time. You are now designated quilt leaders. Your goal is to construct a design for a quilt. Choose six pieces of fabric from the table—no more and no less. Select an area in the room and begin to construct a quilt. You may not come back to the table for more or different fabric. No sewing is required. Simply place your fabric on the ground as if you were going to sew patches of fabric together to create the quilt. The goal is to build the best quilt you possibly can. Others will join you a bit later. Have fun!"

Note: Each quilt leader should choose six pieces of fabric, and each will begin his or her own quilt in different areas of the room.

Subsequent "volunteers" are taken out of the puzzle rooms at two- to three-minute intervals and instructed to take six pieces of fabric and join any quilt in progress that interests them. "Your new task is quite easy but you don't have a lot of time. Join one of the groups in the room. You do *not* have to stay with the team members from your puzzle group. Your goal is to construct a design for a quilt. Choose six pieces of fabric from the table – no more and no less. Next, join a

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group to help them build the best quilt you can. You may not exchange fabric once you choose. No sewing is required. Simply place your fabric on the ground as if you were going to sew patches of fabric together to create the quilt. Have fun!"

When all individuals are out of the puzzle room and in the quilt room, allow two more minutes to complete the quilts.

Debrief 0:30–1:00 (30 minutes)
The debrief may take place inside the quilt room or back in the classroom depending on group size. If debriefing inside the quilt room, have each quilt leader describe how the design of the quilt emerged. If debriefing outside the quilt room, give students time to walk through the quilt room to study all the quilt designs before leaving the room.

Begin with questions:
How many preferred the puzzle? Why?
How many preferred the quilt? Why?

Focus on quilts:
Ask the leaders about how the design came to be.
Ask team members why they joined one team versus another.
How did it feel moving from puzzle to quilts?
What type of thinking was required for each part of the exercise?

Summary: At this time, it's important to introduce the concepts of puzzle as managerial thinking and quilts as entrepreneurial thinking.

Puzzle as managerial thinking:
The goal is well defined (the puzzle picture is typically on the outside of the box).
Determine resources to achieve the goal (puzzle pieces).
Create a plan (put pieces in piles by color, and start with the edges).
Execute the plan (edges first).
Measure progress along the way.
Goal achieved: The puzzle looks just like the picture on the front of the box! Well done!

Quilt as entrepreneurial thinking:
Entrepreneurs start with what they have rather than what they need (fabric pieces).
When entrepreneurs are not sure what to do their only choice is to act (pick a group and get to work).
The design of the quilt emerges over time because it's difficult to plan (the quilt keeps changing every time a new person enters the group and the environment changes).
You never really know when it's quite finished.
Creating something new requires iteration rather than linear problem solving.

Optional leadership debrief 1:00–1:20 (20 minutes)
What is leadership? (Ask them to write down their definition.)

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How did you "see" leadership around you? (Call on several different quilt groups.)
How did you "see" followership?
Who were the assigned leaders?
Did the rest of you know there were assigned leaders?
Pick an assigned leader and ask that person to describe his or her experience.
When and how do you decide whether to lead or follow?
What is the difference between leadership, management, and entrepreneurship?
What is entrepreneurial leadership?

Key Takeaways
Under conditions of extreme uncertainty, the only choice is action.

One form of thinking (entrepreneurial or managerial) is not necessarily better than the other, yet it is important to understand the environmental context. If the skills for completing a jigsaw puzzle (managerial thinking) are used to solve a complicated problem in an uncertain environment, students are likely to run into one roadblock after another. However, if students can get more comfortable with quilt making (entrepreneurial thinking), then they may be able to navigate the terrain of entrepreneurship with greater aptitude.

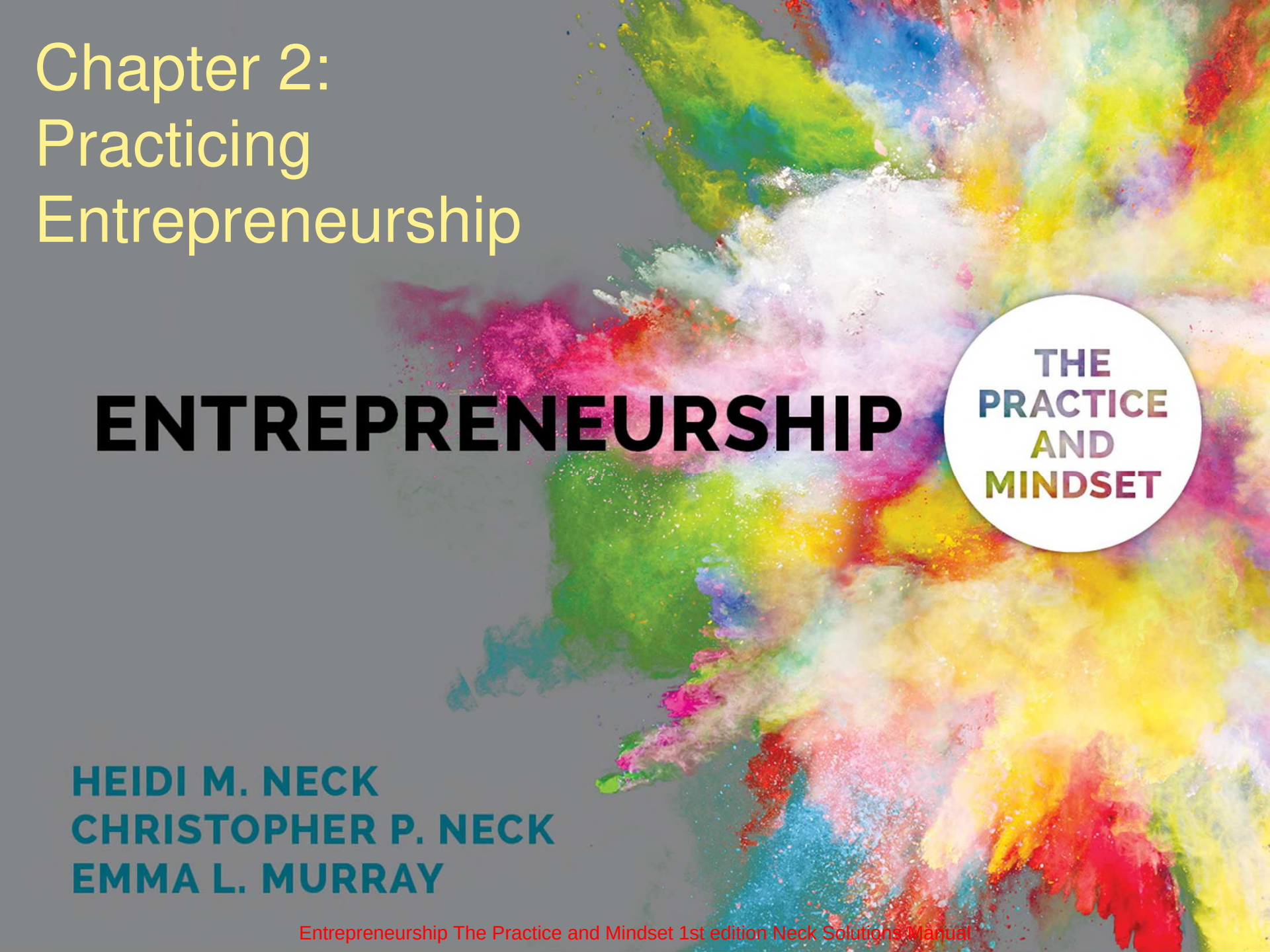
Action trumps planning in uncertain environments.

Teaching Tips
It is preferable *not* to refer to the exercise as the "quilt exercise" prior to conducting the exercise, because it rather gives away the punch line. Pacing is very important. As soon as the quilt leaders have placed their fabric on the ground, volunteers should be pulled out of the puzzle room approximately every three minutes. Fast pace is much better than a slow pace.

Attribution
The exercise is adapted from Saras Sarasvathy's crazy quilt principle within her work on effectual entrepreneurship.

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Chapter 2: Practicing Entrepreneurship



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Notable Quote

"You may have wondered why so many things seem to be harder and take longer to accomplish than you would like—and why both things seem to be increasing. We don't have the answer in every case, but here is an explanation that probably covers the majority of situations: the way we have been taught to solve problems was designed for a different world. To deal with uncertainty today, we need a different approach."

Leonard A. Schlesinger, Charles F. Kiefer, and Paul B. Brown, authors

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LEARNING OBJECTIVES



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Learning Objectives

2.1

Compare and contrast the prediction and creation approaches to entrepreneurship.

2.2

Create a portfolio of five skills essential to building a mindset for the practice of entrepreneurship.

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Learning Objectives

2.3

Distinguish between entrepreneurship as a method and the process of entrepreneurship.

2.4

Illustrate the key components of the practice of entrepreneurship.

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Learning Objectives

2.5

Assess the role of deliberate practice in achieving mastery.

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2.1 Two Main Perspectives on Entrepreneurship



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The Prediction Approach

- Views entrepreneurship as a linear process where steps are followed and outcomes would be predictable.
- Works best in times of certainty

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The Creation Approach

- Views entrepreneurship as a method that requires practice
- Building a future through trial and error
- Theory of effectuation: the future is unpredictable yet controllable.

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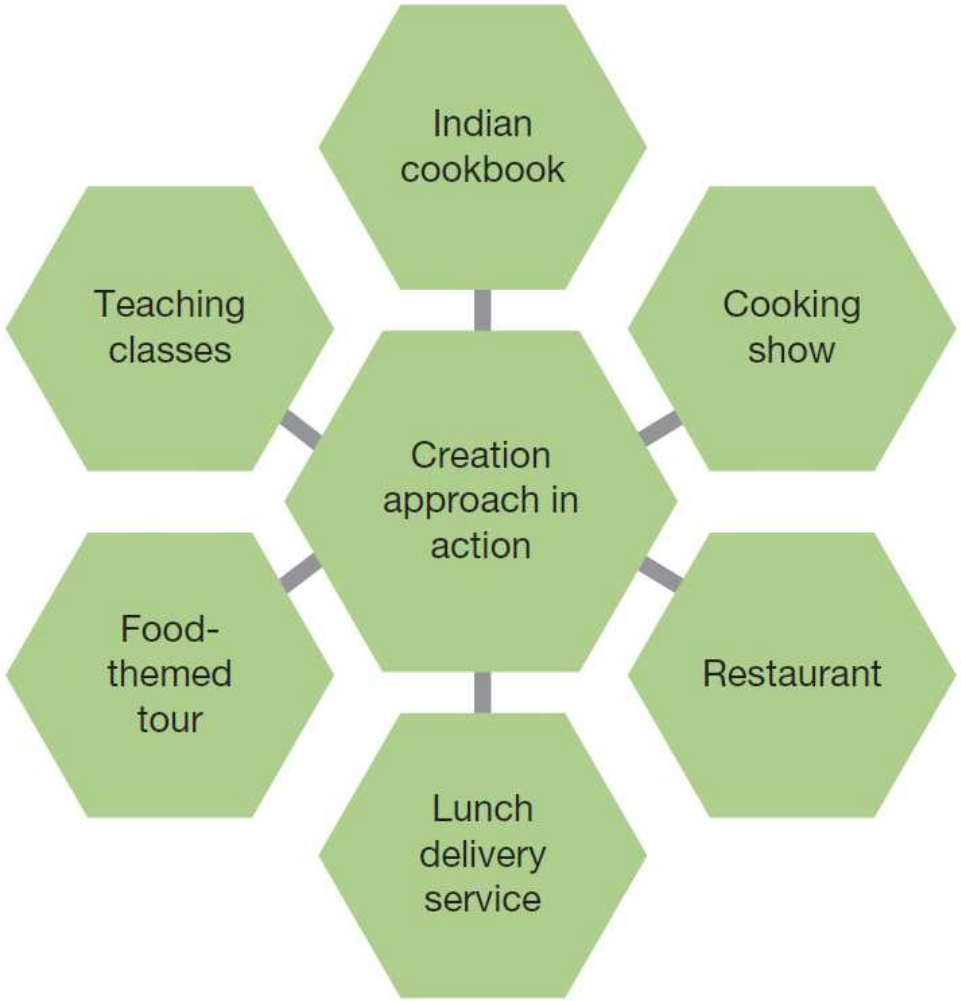
Table 2.1: Prediction and Creation

PREDICTION	CREATION
Big planning	Small actions
Wait until you get what you need	Starting with what you have
Expected Return	Acceptable loss
Linear	Iterative
Optimization	Experimentation
Avoid failure at all costs	Embrace & leverage failure
Competitive	Collaborative
Knowable	Unknowable
To the extent we can predict the future, we can control it.	*To the extent we can create the future, we don't need to predict it*

Credit: Sarasvathy, S. D. 2008. *Eff ectuation: Elements of Entrepreneurial Expertise*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing; Schlesinger, L., Kiefer, C., and Brown, P. 2012. *Just Start: Take Action, Embrace Uncertainty, Create the Future*. Cambridge, MA: Harvard Business School Press. http://www.e-elgar.com/

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Figure 2.1: The Creation Approach in Action



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CRITICAL THINKING

What strengths and weaknesses do you see in the creation view of entrepreneurship? Give some examples that would apply to real life.



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2.2 The Five Skills Most Important to the Practice of Entrepreneurship



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The Five Skills

- Play
- Experimentation
- Empathy
- Creativity
- Reflection

The Skill of Play

- Frees the imagination
- Opens up our minds to opportunities
- Helps us become more innovative

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The Skill of Empathy

- Understanding the emotion, circumstances, intentions, thoughts, and needs of others.
- Allows you to connect with potential stakeholders.
- Can help identify unmet needs

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The Skill of Creativity

- Requires openness to the world
- Entrepreneurs create opportunities instead of looking for them
- Taking action under conditions of uncertainty

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The Skill of Experimentation

- Acting in order to learn
- Collect real-world information
- Test new concepts
- Asking questions
- Validating assumptions
- Based on action not research

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The Skill of Reflection

- Helps critically analyze our feelings and knowledge
- Provides new perspectives
- Evaluate outcomes
- Draw conclusions

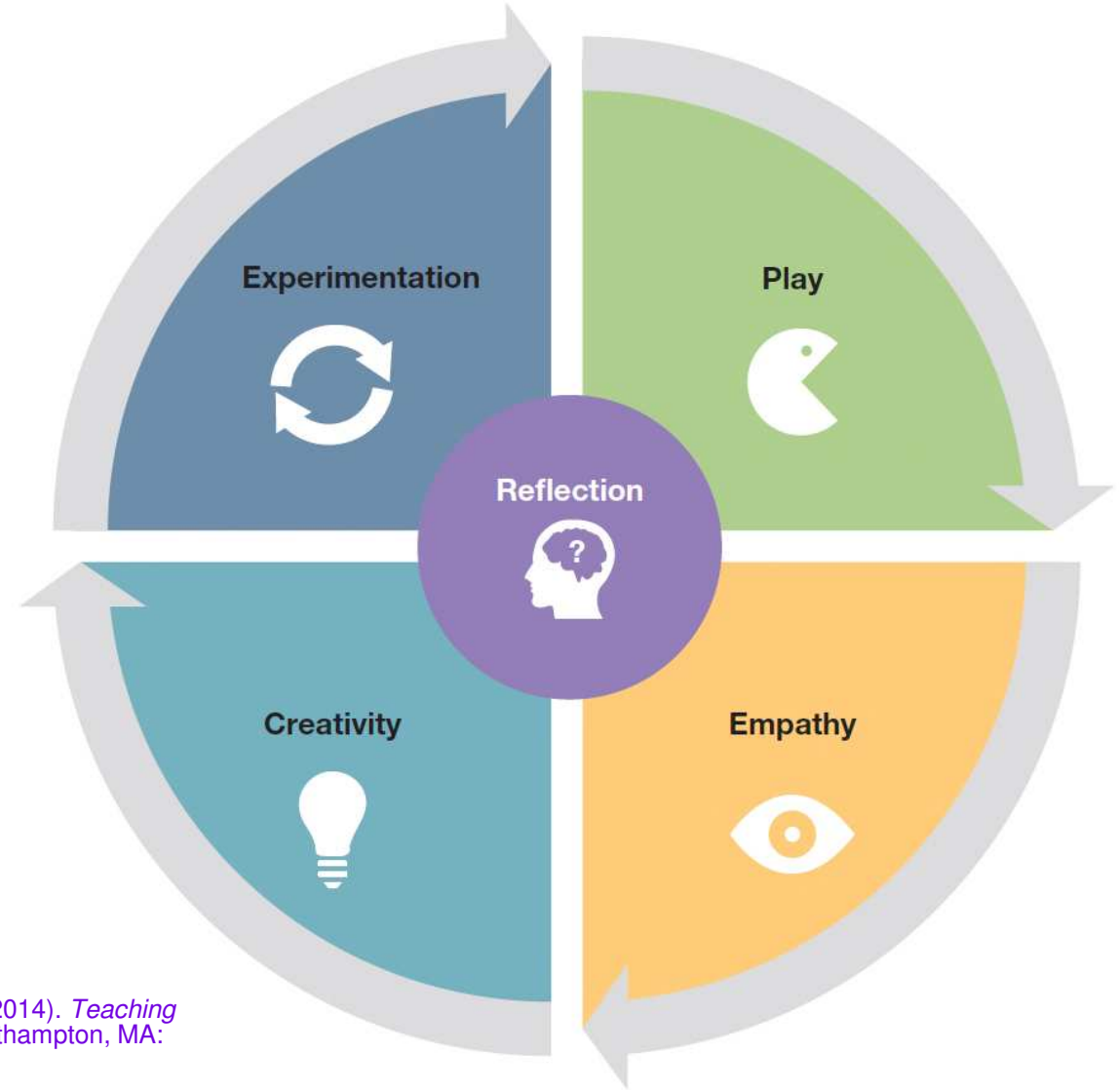
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Ways to Practice Reflection

- Narrative reflection
- Emotional reflection
- Perceptive reflection
- Analytical reflection
- Evaluative reflection
- Critical reflection

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Figure 2.2: The Five Most Important Skills to the Practice of Entrepreneurship



Source: Neck, H. M., Greene, P. G., & Brush, C. (2014). *Teaching entrepreneurship: A practice-based approach.* Northampton, MA: Edward Elgar.

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CRITICAL THINKING

Do desirable qualities in an employee differ from desirable qualities in an entrepreneur? If so, how? Explain your answer and give examples.



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2.3 Entrepreneurship Is More A Method Than a Process



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Processes and Methods

- The process approach involves planning and prediction.
- The method approach involves trial and error, requiring iterative learning, practicing, and reflecting

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Table 2.2: The Traditional Steps of an Entrepreneurship Process

Step 1	Think of an idea
Step 2	Do market research
Step 3	Get some financial projections
Step 4	Find a partner/team
Step 5	Write a business plan
Step 6	Get financing
Step 7	Find space, build a prototype, hire people
Step 8	Bring your product/service to market
Step 9	Manage the business
Step 10	Plan an exit

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Table 2.3: Assumptions Underlying The Practice of Entrepreneurship

It applies to novices and experts regardless of experience levels.
It is inclusive, which means it includes any organization at any stage of business.
It requires continuous practice with a focus on doing, then learning.
It is designed for an unpredictable environment.

Source: Neck, H. M., & Greene, P. G. (2011). Entrepreneurship education: Known worlds and new frontiers. Journal of Small Business Management, *49*, 55–70. Credit: Neck, H.M,., and Greene, P.G. 2011. Entrepreneurship education: Known worlds and new frontiers. *Journal of Small Business Management, 49*(1), 55–70. Reprinted with permission from John Wiley & Sons

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Table 2.4: Method Versus Process

ENTREPRENEURSHIP AS A METHOD	ENTREPRENEURSHIP AS A PROCESS
A set of practices	Known inputs and predicted outputs
Phases of learning	Steps to complete
Iterative	Linear
Creative	Predictive
Action focus	Planning focus
Investment for learning	Expected return
Collaborative	Competitive

Credit: Neck, H. M., Greene, P. G. & Brush, C. (2014). *Teaching Entrepreneurship: A Practice-Based Approach.* Northhampton, MA: Edward Elgar Publishing. http://www.e-elgar.com/

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2.4 The Practice of Entrepreneurship: An Introduction



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The Practice of Entrepreneurship

- Emphasize early action over planning
- Do what you can; try what you can't
- Try early
- Fail sooner
- Experiment with many new ideas simultaneously

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CRITICAL THINKING

Give an example of how an entrepreneur has solved a problem. Discuss how failure and reflection could have led to the solution. What would you have done in such circumstances?



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Eight Components of the Practice of Entrepreneurship

1. Reflect on your desired impact on the world.
2. Start with means at hand.
3. Describe affordable loss.
4. Calculate the idea today.

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Eight Components of the Practice of Entrepreneurship

5. Take small action.
6. Network and enroll others.
7. Build on what you learn.
8. Reflect and be honest with yourself.

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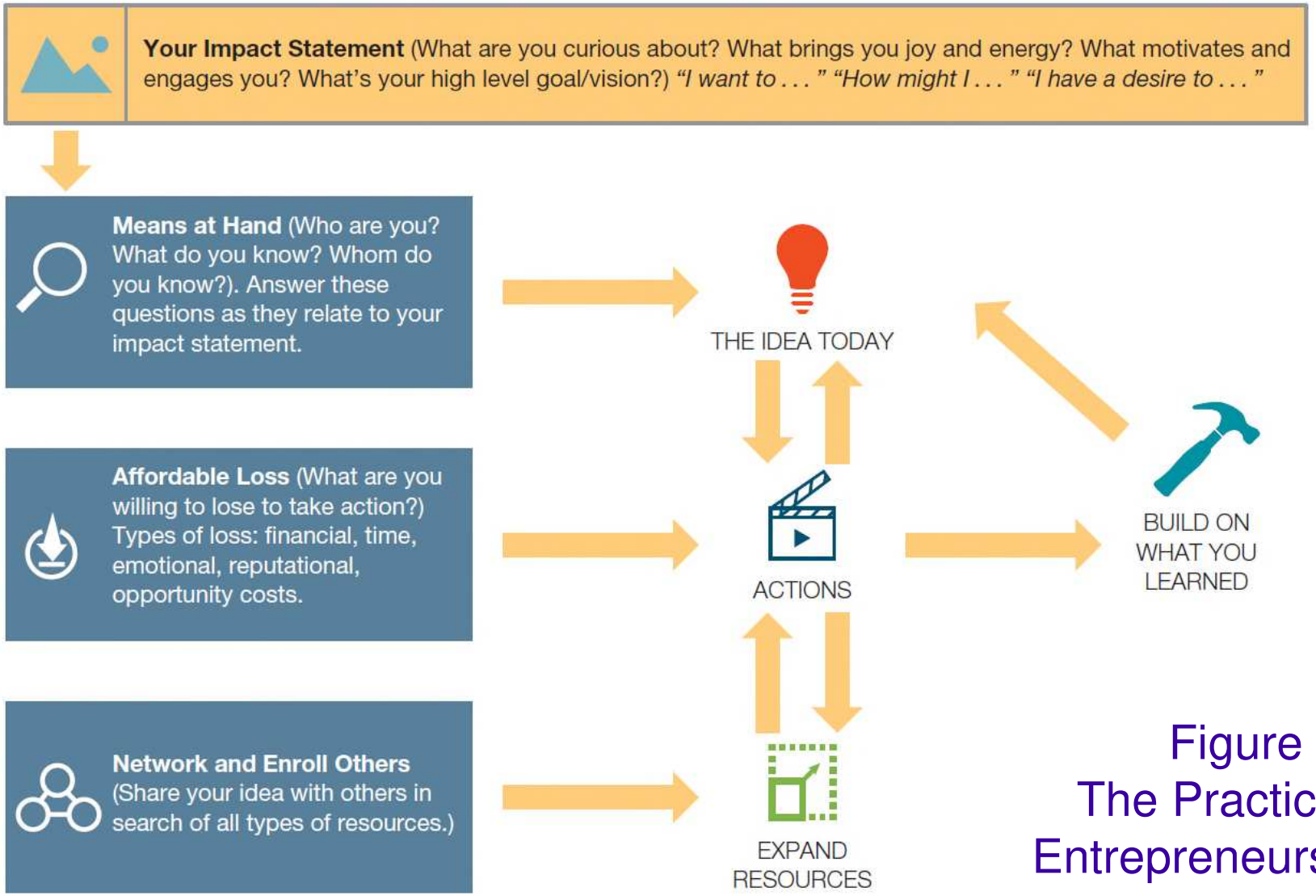


Figure 2.3: The Practice of Entrepreneurship

Using the Practice to Achieve Ongoing Success: Tips from Baekgaard and Miller

- Concentrate on what you do best
- Don’t be satisfied with the status quo—innovate and practice continuous improvement
- Choose the right people to work with: vendors, bankers, and employees

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Using the Practice to Achieve Ongoing Success: Tips from Baekgaard and Miller

- Networking is important; it's important when people like you and you like them
- Don't be afraid to take risks
- Take one day at a time
- Follow your passion and have fun!

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2.5 The Concept of Deliberate Practice



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Deliberate Practice

A method of carrying out carefully focused efforts to improve current performance.

Table 2.5: Components of Deliberate Practice

- It requires high levels of focus, attention, and concentration.
- It strengthens performance by identifying weakness and improving on them.
- It must be consistent and be maintained for long periods of time.
- It must be repeated to produce lasting results.
- It requires continuous feedback on outcomes.
- It involves setting goals beforehand.
- It involves self-observation and self-reflection after practice sessions are completed.

Credit: Baron, R. A., & Henry, R. A. 2010. How entrepreneurs acquire the capacity to excel: Insights from research on expert performance. *Strategic Entrepreneurship Journal*, 4: 49–65. Reprinted with permission from John Wiley & Sons

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Why Deliberate Practice?

- It helps people "learn how to learn."
- It enhances perception, pattern recognition, and analytical skills.
- No need to feel daunted—you can begin with transferable skills you already have!

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MINDSHIFT

The 3-Hour Challenge



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MINDSHIFT: The 3-Hour Challenge

You may or may not have given a lot of thought to your entrepreneurial plans and goals. Either way, this activity will challenge you to clarify what plans and goals you have, and why.

You can commit to doing a lot of things for only three hours, so give this mindshift challenge a try. The three hours do not have to be spent in one continuous period. Doing it all at a stretch is probably not practical, so it is fine to spread out the time in one-hour increments, but don't go past three days.

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MINDSHIFT: The 3-Hour Challenge

Hour #1: Write down your impact statement. Keep in mind that this is something that drives your curiosity, motivation to engage, and enthusiasm. Your impact statement is not an idea; it's a statement that expresses your desire of the type of impact you want to make as an entrepreneur.

Take a full hour to write down your impact statement. Give it deep thought and really ask yourself: What excites me? Write it as clearly, sincerely, and completely as you can.

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MINDSHIFT: The 3-Hour Challenge

Hour #2: Share your impact statement with your classmates or others in your life, and try to find someone who shares a similar vision. Your goal is to find just one other person with a similar vision; but if you find more, that's great too!

MINDSHIFT: The 3-Hour Challenge

Hour #3: Once you find your person, schedule a one-hour meeting. Meet someplace unusual, not in the same coffee shop or restaurant where you always go. Share where your desired impact is coming from, and identify three potential business ideas that the two of you could pursue together to fulfill your desired impact.

MINDSHIFT: CRITICAL THINKING

What assumptions and beliefs did you have before starting the 3-Hour Challenge?



MINDSHIFT: CRITICAL THINKING

In what ways did the 3-Hour Challenge confirm your existing assumptions and beliefs? In what ways did it change them?



MINDSHIFT: CRITICAL THINKING

What did you learn about yourself that was unexpected or surprising?

