Notice: Information on featured companies, organizations, and their products and services is included for educational purposes only and does not present or imply endorsement of the Entrepreneurship: Building a Business program.
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Where would you look for math help? [Math Handbook]

Where do you find all of the chapter names? [the table of contents]

How many chapters are in this book? How many units? [24 chapters, 6 units]

Where would you find a definition of limited liability? [Chapter 7 or the Glossary]

Where would you look to find out about bundle pricing? [the index]

Where can you find a downloadable graphic organizer? [connectED.mcgraw-hill.com]

What is the name of the Chapter 7 Discovery Project? [Ownership in Your Community]
# Table of Contents

## Unit 1  Going into Business for Yourself ............... 2

### Chapter 1  What Is Entrepreneurship? ............... 4

- Discovery Project  Entrepreneurship in Your Community. ............... 4

#### Section 1.1  Entrepreneurship and the Economy ............... 6

#### Section 1.2  The Entrepreneurial Process ............... 19

- Global Workplace  Russia: An Emerging Market ............... 23

- Entrepreneurs in Action  Alison Schuback, Creator, Invisibb ............... 25

- Review and Assessment ............... 26

### Chapter 2  Your Potential as an Entrepreneur ............... 30

- Discovery Project  The Impact of Entrepreneurship ............... 30

#### Section 2.1  Why Be an Entrepreneur? ............... 32

#### Section 2.2  What Does It Take to Be an Entrepreneur? ............... 37

- Global Workplace  Korean and Hangul: The Two Koreas ............... 40

- Entrepreneurs in Action  Ben Clark, Freelance Photographer ............... 45

- Review and Assessment ............... 46
Table of Contents

Chapter 3  ■  Recognizing Opportunity  ...................... 50
Discovery Project  Creating Your Own Business  ........ 50
Section 3.1  Understanding Entrepreneurial Trends  ...... 52
Section 3.2  Starting Versus Buying a Business .......... 64
Entrepreneurs in Action  Mya Jacobson, Owner,
Feed Your Soul ........................................... 71
→ Review and Assessment .................................. 72

Chapter 4  ■  Global Opportunities  ......................... 76
Discovery Project  Understanding
International Markets ......................................... 76
Section 4.1  Global Entrepreneurship ....................... 78
Section 4.2  Ways to Enter the Global Market .......... 85
Entrepreneurs in Action  Ernie Wong, President,
Playmaker Toys ............................................ 93
→ Review and Assessment .................................. 94

Unit 1 Lab Business Plan Project  Getting Started ...... 98
## Table of Contents

### Unit 2  
**Researching and Planning Your Venture**  
. 100

#### Chapter 5  
- **Feasibility and Business Planning**  
. 102
  - Discovery Project: Your Business Concept.  
. 102
  - **Section 5.1**  
  - Feasibility Analysis: Testing an Opportunity  
. 104
  - **Section 5.2**  
  - The Business Plan  
. 112
  - [GLOBAL WORKPLACE](#) Biotechnology in Sweden  
. 116
  - **Entrepreneurs in Action:** Wesley Mitchell III, CEO, *Elite Business Network*  
. 123
  - **Review and Assessment**  
. 124

#### Chapter 6  
- **Market Analysis**  
. 128
  - Discovery Project: Researching Your Business  
. 128
  - **Section 6.1**  
  - Doing Market Research  
. 130
  - [GLOBAL WORKPLACE](#) Turkey: A Nation in Flux  
. 136
  - **Section 6.2**  
  - Industry and Market Analysis  
. 139
  - **Entrepreneurs in Action:** Rahim Fazal, CEO and Co-Founder, *Involver*  
. 145
  - **Review and Assessment**  
. 146

#### Chapter 7  
- **Types of Business Ownership**  
. 150
  - Discovery Project: Ownership in Your Community  
. 150
  - **Section 7.1**  
  - Sole Proprietorships and Partnerships  
. 152
  - **Section 7.2**  
  - Corporations  
. 158
  - [GLOBAL WORKPLACE](#) Portuguese: Brazil and Beyond  
. 161
  - **Entrepreneurs in Action:** Una Kim, Owner and CEO, *Keep*  
. 165
  - **Review and Assessment**  
. 166
# Table of Contents

## Chapter 8

- **The Legal Environment** ................................................................. 170  
- **Discovery Project**  Regulating Businesses  .................................. 170  
- **Section 8.1**  Legal Issues Facing Start-Ups .................................. 172  
  - **GLOBAL WORKPLACE**  Guatemala: ¡Mucho gusto! .................. 176  
- **Section 8.2**  Handling Government Regulations  ......................... 180  
  - **Entrepreneurs in Action**  Frank Brown, President and Founder,  
  Defense Contract Services, Inc. .................................................. 189  
  - **Review and Assessment** ............................................................ 190

## Chapter 9

- **Site Selection and Layout Planning** ........................................... 194  
- **Discovery Project**  Planning the Physical Layout  ...................... 194  
- **Section 9.1**  Community and Site Selection  ............................... 196  
  - **GLOBAL WORKPLACE**  The UAE: Boom and Bust ................ 202  
- **Section 9.2**  Layout Planning ...................................................... 205  
  - **Entrepreneurs in Action**  Sean King, President, SMK Construction, Inc.  .................. 213  
  - **Review and Assessment** ............................................................ 214  

## Unit 2 Lab Business Plan Project

- **Planning and Research** .............................................................. 218
# Table of Contents

## Unit 3 Managing Market Strategies

### Chapter 10 The Marketing Plan
- **Discovery Project** Marketing Your Product .................................................. 222

### Section 10.1 Developing a Marketing Plan .......................................................... 224

### Section 10.2 Updating the Marketing Plan ......................................................... 234

### Global Workplace Iceland: Hot and Cold ......................................................... 238

### Entrepreneurs in Action Gabriela Lopez de Dennis, Owner and Creative Director, Soap Design Co. .......................................................... 243

### Review and Assessment .................................................................................... 244

### Chapter 11 The Price Strategy
- **Discovery Project** Pricing Merchandise .......................................................... 246

### Section 11.1 Price Strategy Considerations ..................................................... 250

### Section 11.2 Calculating and Changing Prices ............................................... 260

### Global Workplace Israel: High-Tech Land ....................................................... 259

### Entrepreneurs in Action Max Drucker, Former Managing Partner, Steel Card .......................................................... 267

### Review and Assessment .................................................................................... 268
# Table of Contents

## Chapter 12  ■  The Promotion Strategy .......................... 272  
Discover Project  Creating a Profitable Company .................. 272  
Section 12.1  Developing a Promotion Strategy ................. 274  
Section 12.2  Budgeting and Implementing Promotional Plans ... 287  

**GLOBAL WORKPLACE** Rwanda: Tradition in Transition .......... 293  
**Entrepreneurs in Action** Georgina Lightning, Co-Founder,  
Tribal Alliance Productions. ........................................... 295  

→  **Review and Assessment** .............................................. 296  

## Chapter 13  ■  The Promotion Strategy: Developing and Managing Sales .......................... 300  
Discover Project  Hiring the Right People ....................... 300  
Section 13.1  Organizing and Preparing a Sales Force ............. 302  

**GLOBAL WORKPLACE** Traditional + Futuristic = Japan .......... 310  
Section 13.2  Planning, Directing, and Evaluating Sales ........... 312  

**Entrepreneurs in Action** Lisa Nicholson, Owner and CEO,  
Lisa’s Salsa Company .................................................... 321  

→  **Review and Assessment** .............................................. 322  

### Unit 3 Lab Business Plan Project  The Marketing Mix .......... 326  

## Unit 4  Managing Your Business Processes .................. 328  

## Chapter 14  ■  Preparing and Planning to Manage ................. 330  
Discover Project  Leadership Skills ................................. 330  
Section 14.1  Entrepreneur or Manager? ............................. 332  

**GLOBAL WORKPLACE** Land of 7,000 Islands .................. 337  
Section 14.2  Management Styles and Skills ....................... 340  

**Entrepreneurs in Action** C.H. Greenblatt, Creator and  
Executive Producer, *Chowder* ........................................ 347  

→  **Review and Assessment** .............................................. 348
# Table of Contents

Chapter 15  ■  Managing Purchasing and Inventory .......................... 352  
Discovery Project  Managing Business Purchases ................................ 352  
Section 15.1  Purchasing Management ........................................ 354  
GLOBAL WORKPLACE  Mobile Phones, por favor ............................ 359  
Section 15.2  Inventory Management .......................................... 361  
Entrepreneurs in Action  Todd Brown, Owner and CEO, 180 Medical ...... 369  
— Review and Assessment ......................................................... 370  

Chapter 16  ■  Production Management and Distribution ....................... 374  
Discovery Project  Ensuring Quality Products .................................. 374  
Section 16.1  From Idea to Product ............................................ 376  
Section 16.2  Production and Distribution ...................................... 380  
GLOBAL WORKPLACE  Polish: Language of Consonance ..................... 385  
Entrepreneurs in Action  April Pride Allison, Principal, kaarsKoker ........ 389  
— Review and Assessment ......................................................... 390
Table of Contents

Chapter 17 | Managing Operations and Staffing | 394
    Discovery Project | Health Benefits | 394
    Section 17.1 | Managing Operations | 396
    Section 17.2 | Staffing and Company Policies | 402
        GLOBAL WORKPLACE | The World's Largest Democracy | 406
        Entrepreneurs in Action | Andre Guerrero, Owner and Chef,
                               Max, The Oinkster, BoHo | 409
    Review and Assessment | 410

Chapter 18 | Managing Human Resources | 414
    Discovery Project | Conflict Resolution | 414
    Section 18.1 | Developing and Keeping Human Resources | 416
    Section 18.2 | Motivating Employees | 423
        GLOBAL WORKPLACE | Employment Prospects, New and Old | 425
        Entrepreneurs in Action | Alex Payson, Co-Owner, Blue State Coffee | 429
    Review and Assessment | 430

Unit 4 Lab Business Plan Project | Getting Organized | 434

Unit 5 | Managing the Finances of Your Business | 436
    Chapter 19 | Financing Your Business | 438
        Discovery Project | Funding a Business | 438
    Section 19.1 | Financing the Small Business Start-up | 440
    Section 19.2 | Obtaining Financing and Growth Capital | 447
        GLOBAL WORKPLACE | Tanzania: Great Vistas | 451
        Entrepreneurs in Action | Doug Juanarena, Founder and President,
                                 GenTek Ventures | 455
    Review and Assessment | 456
# Table of Contents

## Chapter 20  ■  Accounting and Financial Reporting  
- **Discovery Project** Tracking Finances .................................................. 460
- **Section 20.1** Financial Record Keeping .................................................. 462
  - Global Workplace Two Countries for the Price of One .......................... 465
- **Section 20.2** Preparing Financial Statements ........................................... 471
  - Entrepreneurs in Action  Alice Dickerson, Owner,  
    Necessity Breeds Invention ................................................................. 479
- **Review and Assessment** ........................................................................... 480

## Chapter 21  ■  Financial Management .......................................................... 484
- **Discovery Project** Keeping Accurate Records ....................................... 484
- **Section 21.1** Analyzing Your Finances ..................................................... 486
  - Global Workplace Ireland: After the Celtic Tiger ................................. 490
- **Section 21.2** Managing Your Finances ..................................................... 493
  - Entrepreneurs in Action  Mel Hertz, Owner/Founder,  
    Derand Capital Management .................................................................... 501
- **Review and Assessment** ........................................................................... 502

## Unit 5 Lab Business Plan Project  Planning Your Finances ......................... 506

## Unit 6  Growing Your Business ................................................................. 508
- **Chapter 22**  ■  Risk Management ............................................................ 510
  - **Discovery Project**: Insuring Your Business ........................................ 510
- **Section 22.1** Identifying Business Risks .................................................. 512
- **Section 22.2** Dealing with Risk ............................................................... 520
  - Global Workplace Greece: Land of Heroes ............................................ 525
  - Entrepreneurs in Action  Melissa Goodballet, Founder and Owner,  
    Thrive Pilates and Yoga ......................................................................... 527
- **Review and Assessment** ........................................................................... 528
# Table of Contents

## Chapter 23  ■  Making Your Business Grow  ........................................... 532

**Discovery Project**  Expanding Your Business  ........................................... 532

**Section 23.1**  Making Your Business Grow  ........................................... 534

**Section 23.2**  Challenges of Expansion  .................................................. 540

**GLOBAL WORKPLACE**  Argentina: Two to Tango ................................. 543

**Entrepreneurs in Action**  Joanna Meiseles, Founder and Former CEO, Snip-its  ........................................... 545

**Review and Assessment**  ................................................................. 546

## Chapter 24  ■  Social and Ethical Responsibility  ................................. 550

**Discovery Project**  Responsibility and Profitability  .............................. 550

**Section 24.1**  Social Responsibility  ................................................... 552

**Section 24.2**  Ethical Responsibility  ................................................... 558

**GLOBAL WORKPLACE**  Vietnam: Moving Forward ............................. 562

**Entrepreneurs in Action**  Maxine Clark, Chairman and Chief Executive Bear, Build-a-Bear Workshop, Inc.  ........................................... 565

**Review and Assessment**  ................................................................. 566

## Unit 6 Lab Business Plan Project  Finishing Touches  ............................... 570

**Business Plan Project Appendix**  ..................................................... 572

**Math Handbook**  ........................................................................... 584

**Career Skills**  .................................................................................. 599

**Glossary**  ......................................................................................... 607

**Index**  ............................................................................................. 628
CHAPTER 2

Your Potential as an Entrepreneur

Chapter Objectives

SECTION 2.1
Why Be an Entrepreneur?
Identify the rewards of going into business for yourself.
Recognize the risks of going into business for yourself.

SECTION 2.2
What Does It Take to Be an Entrepreneur?
Describe the background, characteristics, and skills of successful entrepreneurs.
Explain techniques that will improve your potential for becoming an entrepreneur.

Discovery Project

The Impact of Entrepreneurship

Key Question
How do local entrepreneurs affect your community?

Project Goal
Work with a partner to identify, research, and interview local entrepreneurs. Determine what kind of impact they have had on the community: Have they created more jobs? Do their businesses contribute to local charities?

Think About…
➤ How will you identify your community’s entrepreneurs?
➤ How will you determine what kind of effect they have had on your community?
➤ How have other local businesses been affected by the entrepreneurs?

21st Century Skills
Entrepreneurial Literacy What do communities gain by supporting local entrepreneurs?

Evaluate
Go to connectED.mcgraw-hill.com to download a rubric that you can use to evaluate your final project.

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21st Century Skills
Entrepreneurial Literacy What do communities gain by supporting local entrepreneurs?

Evaluate
Go to connectED.mcgraw-hill.com to download a rubric that you can use to evaluate your final project.
Q: I am saving money to start a company that makes all-natural skin care products for teens. What are the sources of capital used to get a business off the ground or to help a business grow?

A: Sources of capital vary depending on the age and size of the company. Most of the start-up capital may be your own money. Venture capital firms specialize in investing large sums to help private companies develop and grow. Corporate financing often comes from multinational investment banks.
Before You Read

Connect What do you think would be the most important personal reward of being an entrepreneur?

The Main Idea
When you consider going into business for yourself, an important first step is to analyze the advantages and disadvantages of entrepreneurship.

Objectives
Identify the rewards of going into business for yourself.
Recognize the risks of going into business for yourself.

Content Vocabulary
◆ competition
◆ investment
◆ capital

Academic Vocabulary
You will see these words in your reading and on your tests. Use the academic vocabulary glossary to look up their meanings.
■ guarantee
■ control

Graphic Organizer
Before you read this section, draw a chart like the one shown. As you read, list the risks and rewards of being an entrepreneur.

Go to connectED.mcgraw-hill.com to download this graphic organizer.
Rewards of Entrepreneurship

What are the rewards of being an entrepreneur? You may think the rewards are owning a large house, driving a nice car, and leading a lavish lifestyle. However, having those things is not the primary motivation for most entrepreneurs. In fact, the greatest rewards are not material at all. For most entrepreneurs, the greatest rewards of owning a business are intangible. The rewards include such things as independence, personal satisfaction, and prestige.

Being Your Own Boss

Most entrepreneurs consider being their own boss as the biggest reward of owning a business. The reason is obvious—it gives them the freedom to make their own business decisions. They have the final word on all aspects of the operation. They can determine the hours of business, products offered, and direction for expansion.

Doing Something You Enjoy

Some business ventures start with an activity the entrepreneur enjoys. Someone who takes pleasure in cooking for others might start a catering business. Someone who likes to go surfing or skateboarding might give lessons and sell equipment. The new business owner derives special satisfaction from creating and developing the enterprise around a special interest.

Having the Opportunity to Be Creative

Most people who work for others merely follow procedures; entrepreneurs make them. In other words, entrepreneurs are able to shape a business in ways employees cannot. This is especially true with daring or creative ideas. When business owners have a creative idea, they have the power to act on it.

Having the Freedom to Set Your Own Schedule

Although entrepreneurs experience time demands, they have the flexibility to determine their own schedule. Also, they have the option of working at home, at the business, or at whatever location suits them.

Having Job Security

In today’s world, employees are not guaranteed job security from their employers. Entrepreneurs, however, control their own destiny. As long as the business is successful, they are assured of a job.

Making More Money

People who work for others are paid wages or a salary. When they work hard or when the company does well, they may or may not get a raise. In contrast, a business owner’s earnings are limited only by the potential of their business.

Tech Savvy

Gesture Technology

Some people are turned off by new electronic devices because it takes too long to learn how to use them. But devices like Apple®’s iPhone™ and Nintendo®’s motion-sensing Wii™ game console have made technology more user-friendly by allowing users to control them with gestures and touch. Entrepreneurs are scrambling to create and market more gadgets that can be controlled with gesture technology. Improved cameras can interpret movements accurately, but they are still expensive. What other kinds of products could incorporate gesture technology?
Being Recognized Within the Community

Business ownership carries with it a certain amount of prestige. Entrepreneurs, after all, have taken on a responsibility that involves hard work, daring, and know-how. In the process, entrepreneurs make an economic contribution to the community through their investment in and creation of jobs.

✔ Reading Check  Summarize  Why do entrepreneurs have more freedom than their employees?

Risks of Entrepreneurship

If being an entrepreneur is so great, then how come everyone is not an entrepreneur? The rewards tell only one side of the story. There are also a considerable number of costs and risks associated with starting your own business.

Competition

Intense competition can make business ownership a difficult undertaking. Competition is the rivalry among businesses for consumer dollars. The prospective entrepreneur should consider the risks that occur because of this competitive environment. These include long hours, uncertain income, responsibility, and the potential loss of money.

Pillar of the Community  Local business owners are often respected for what their business adds to the community. How have entrepreneurs had an impact in your area?
Young Entrepreneurs Are Changing the World

These teens didn’t just wait for opportunity to knock—they went out and created it

Driving on the freeway one day, teens Daniel Rudyak and Curren Krasnoff got stuck behind slow-moving cement-mixing trucks. Where others saw only annoyance, Daniel and Curren saw a business opportunity. They developed a new kind of concrete that rolls out like carpet and hardens in less than 24 hours, making old-school cement mixers a thing of the past. Today, their company, Cortex Composites, has more than $23 million in annual sales.

They aren’t alone. Teens around the globe have started successful careers by finding opportunities everyone else overlooked. Moziah Bridges started creating custom bow ties at age nine because he couldn’t find any he liked. Now he runs a company, Mo’s Bows, and is on track to earn his first million by age 17.

For teen entrepreneurs, business success is about more than just money—it’s also about creativity and innovation. Says Mo, “designing a colorful bow tie is just part of my vision to make the world a fun and happier place.”

Active Learning

Search the Internet for a successful teen entrepreneur, and then answer the following questions in one to two sentences each: (1) What is the entrepreneur’s name, the company’s name (if applicable), and the type of product(s) or services offered? (2) How did the entrepreneur get started? (3) What success has the entrepreneur had? (4) What advice does the entrepreneur have for young people wanting to start a business?

Working Long Hours

It is not unusual for entrepreneurs to work long hours, especially during the start-up period. During start-up, the survival of the new business often depends on the entrepreneur’s ability to make timely decisions. A lot of entrepreneurs cannot afford to pay others to help them. As a result, they devote a lot of time to the business, often working long hours, sometimes even working seven days a week. People who work for someone else do not usually have to do this. They have a set work schedule, which usually consists of a certain number of hours per day and days per week.

Having an Uncertain Income

Business owners can make more money than their employees make—but only when business is good. When business is bad, earnings can be low or nonexistent. Most businesses do not make a profit right away. Even when a business makes a profit, the owner often has to put the money back into the business. Business owners do not get a regular paycheck. In addition, they may not have benefits such as health insurance and time off for vacations.
Being Fully Responsible

The owner of a business is responsible for more than just decision making. For example, the small business owner must see that everything gets done—sweeping the floors, paying the bills, and taking care of repairs and maintenance. Ultimately, there is no one else who will make sure these tasks are completed.

While an employee is only responsible for assigned tasks, the business owner is ultimately responsible for all the work that needs to be done, no matter how small or tedious the task might be. The success or failure of the venture rests entirely on the owner. In other words, if you are an entrepreneur and want your new business to succeed, you need to be willing to take on a wide variety of tasks and see them through to completion.

Risking One’s Investment

The biggest risk of being in business is the possibility of losing one’s investment. **Investment** is the amount of money a person puts into their business as capital. **Capital** includes the buildings, equipment, tools, and other goods needed to produce a product or the money used to buy these things. Employees, however, do not risk losing money. Before an entrepreneur can count on earnings, the venture must be up and running.

Passion Is Everything

Many entrepreneurs share one simple trait—passion for what they do. Yvon Chouinard, who founded Patagonia®, was a climber from an early age. Chouinard turned that love into a business, selling clothing and gear aimed at outdoor enthusiasts. This green company not only sells eco-friendly materials, but also donates 1% of total sales to environmental groups.

Critical Thinking
Use the Internet to find the mission statement for Patagonia and at least one other company. Compare and contrast the statements in a short report.

SECTION 2.1 Review

After You Read

Self-Check

1. Summarize the risks and rewards of starting your own business.
2. Explain the difference between investment and capital.
3. Describe the various responsibilities you take on when you decide to start your own business.

Think

4. Compare and Contrast the advantages and disadvantages of owning a business to working for someone else.

English Language Arts

5. Develop Communications Skills Write, rehearse, and present a two-minute speech introducing yourself to potential investors. Describe your personal strengths to the audience by highlighting the skills, qualities, and characteristics that will make you a successful entrepreneur.

Go to connectED.mcgraw-hill.com to check your answers.
Before You Read

**Connect** What characteristics or personality traits do entrepreneurs have in common?

**The Main Idea**
Before going into business, you should determine the characteristics and skills needed to reach your goal of being successful.

**Objectives**
- **Identify** the background, characteristics, and skills of successful entrepreneurs.
- **Explain** techniques that will improve your potential for becoming an entrepreneur.

**Content Vocabulary**
- role model
- profile
- foundation skills
- achiever

**Academic Vocabulary**
You will see these words in your reading and on your tests. Use the academic vocabulary glossary to look up their meanings.
- determine
- accurate

**Graphic Organizer**
Before you read this section, draw a chart like the one shown. As you read, fill in the chart with the 12 characteristics of successful entrepreneurs.

Go to connectED.mcgraw-hill.com to download this graphic organizer.
Who Are Entrepreneurs?

Entrepreneurs are important to the global economy. Even in popular culture, there is a great deal of interest in what makes them tick. They are featured in magazines, newspapers, and blogs. Best-sellers and movies are written about them. Some entrepreneurs have even become celebrities.

Research has been done to determine what, if any, traits, experiences, and skills entrepreneurs have in common. The object of these studies has been to learn whether entrepreneurs are born or made.

Background

A surprising variety of people become entrepreneurs. The research reveals a wide span of ages, educational backgrounds, and personal histories. It also reveals common life experiences and other factors that may lead people toward entrepreneurship.

- Forty-seven percent of entrepreneurs were under age 35 when they started their businesses; 16 percent were under age 25.
- Forty percent of entrepreneurs had a high school diploma or less.
- Twenty-seven percent of entrepreneurs had some college; 33 percent had completed a college degree.
- Many entrepreneurs were independent from an early age.
- Many entrepreneurs worked when they were young (paper routes, yard-care services, babysitting, etc.).
- Sixty-two percent of entrepreneurs had parents or close relatives who owned a business.
- Many entrepreneurs were influenced early in life by a role model, a person whose attitudes and achievements they tried to emulate.

Entrepreneurial Characteristics

Studies have also been done to pinpoint personal characteristics of successful entrepreneurs. These are distinctive traits and qualities needed to set up an owner-operated business and run it successfully. Successful competitors often show these same characteristics. Listings vary but usually include these 12 items.

1. **Persistent** Entrepreneurs are willing to work until a job is done, no matter how long it takes. They are tenacious in overcoming obstacles and pursuing their goals.

2. **Creative** Entrepreneurs look for new ways to solve old problems.

3. **Responsible** Entrepreneurs do not pass the buck. They take responsibility for their decisions and actions.
4. Inquisitive Entrepreneurs want to know as much as possible about whatever affects their venture. They conduct research and ask questions to solve problems.
5. Goal-oriented Entrepreneurs set and achieve goals.
6. Independent Entrepreneurs want to make their own decisions.
7. Self-demanding Entrepreneurs have high expectations for themselves.
8. Self-confident Entrepreneurs believe in themselves and trust their own ability to make decisions.
9. Risk-taking Entrepreneurs take calculated risks, but they are not reckless.
10. Restless Once entrepreneurs achieve their goals, they begin looking for new challenges.
11. Action-oriented Entrepreneurs are doers as opposed to spectators. They set goals, make decisions, and act on their decisions.
12. Enthusiastic Entrepreneurs are energetic and passionate about their pursuits.

**Foundation Skills**

In addition to background, desire, and characteristics, the research identifies foundation skills needed to be a successful entrepreneur. **Foundation skills** are skills that entrepreneurs use regularly in setting up and running a business. These skills are essential to the process of creating a business. They include:

1. **Communication skills** Entrepreneurs need person-to-person, telephone, written, and electronic communication skills. They also need listening skills to build positive relationships and gather **accurate** information.
2. **Math skills** Are you prepared to maintain the business records required to run a business? Basic math skills are also needed to budget, make initial purchase decisions, calculate potential profit, and put together financial statements.
3. **Problem-solving skills** You need to be able to come up with ideas to solve problems. Some problems call for logical solutions. Others call for a great deal of creativity.
4. **Technical and computer skills** Technical skills are important in setting up the processes and technology of the business being created. Computer skills are essential in almost any business.
5. **Decision-making skills** To run your own business, you must be able to choose the best option from among many. Good decision makers know...
their values and are good at predicting the consequences of actions.

6. **Organizing and planning skills** Entrepreneurs must be expert organizers and planners, which require logical thinking and good time-management.

7. **Teamwork skills** Entrepreneurs have to coordinate and manage work teams. This involves respecting others, being flexible, and knowing when to exercise leadership.

8. **Social skills** You need good social skills to interact well with employees, customers, and vendors. This involves both verbal and nonverbal behavior.

9. **Adaptability skills** Because the business world is constantly changing, entrepreneurs need to be adaptable.

10. **Basic business skills** Entrepreneurs should have a basic understanding of how the economy works and an understanding of fundamental concepts of finance, marketing, and management to create a successful business.

**Reading Check** Connect: What kinds of communication skills do entrepreneurs need?

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**GLOBAL WORKPLACE**

Korean is the language of North and South Korea. Koreans once used Chinese characters to write their language but in the fifteenth century they created the alphabet used today, called Hangul. Hangul, like English, is a phonetic alphabet in which letters represent the sounds of language. Hangul can be written horizontally left to right or vertical columns right to left.

**Social Structure** Koreans emphasize age and social status in relationships. A person older than you automatically rates higher. The exchanging of business cards is customary, and allows you and your Korean counterparts to smoothly gauge where you stand in the business relationship by your job title.

**Social Studies/English Language Arts** Communication is a blend of verbal and nonverbal cues like body language and social dynamics, which differ by culture. Your potential as an entrepreneur is often predicted by how well you communicate. Investigate ways in which Korean and American communication might differ and summarize your research in a one-page report.

### Common Korean Words and Phrases

<table>
<thead>
<tr>
<th>English</th>
<th>Korean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hello</td>
<td>안녕하세요</td>
</tr>
<tr>
<td>Goodbye</td>
<td>안녕히 가세요</td>
</tr>
<tr>
<td>Yes/No</td>
<td>네/아니요</td>
</tr>
<tr>
<td>Please</td>
<td>부탁합니다</td>
</tr>
<tr>
<td>Thank you</td>
<td>감사합니다</td>
</tr>
<tr>
<td>You're welcome</td>
<td>흠만해요</td>
</tr>
</tbody>
</table>

---
Build Your Potential as an Entrepreneur

As you have learned, the typical entrepreneur fits a certain profile. A profile is a set of characteristics or qualities that identifies a type or category of person.

What if you do not have a perfect match with the profile? That should not stop you from becoming an entrepreneur. What you really need is a can-do attitude and a genuine desire to go into business. There are many ways to build your potential as an entrepreneur.

Strengthen Your Entrepreneurial Characteristics

The personal characteristics described on page 38-39 are essential to people who want to set up and run their own business. The following steps can help you develop your entrepreneurial characteristics:

1. Determine the current strength of your entrepreneurial characteristics. You can use the Entrepreneurial Characteristics Assessment shown in Figure 2.1 on page 42 to do a self-evaluation. This will help you to analyze the degree to which you possess the characteristics of an entrepreneur and help you identify the qualities you need to develop.

2. Think of entrepreneurial characteristics as habits you can improve. It is within your control to improve your entrepreneurial traits.

3. Develop your weak characteristics by practicing and acting as though you have the traits you want to develop. After a while, you will find that the traits become part of you.
Think Like an Achiever

Another way to strengthen your entrepreneurial potential is to think and act like an achiever. An achiever is a person with a record of successes. Entrepreneurs are motivated by a need for achievement—an inner feeling of personal accomplishment. To attain this same kind of mindset, strive to think and act like an achiever on a daily basis.

- Set out to be the best at whatever you do.
- Write your goals down on paper.
- Pursue your goals with confidence and commitment.
- Set your sights on not only accomplishing your goals, but on accomplishing the extraordinary.
- View setbacks and other difficulties as opportunities to learn and grow.

**Figure 2.1**

Entrepreneurial Characteristics Assessment

Each of the statements below represents a characteristic helpful to entrepreneurs. Read through the list, and on a separate sheet of paper, record your reactions. If you think a particular statement describes you very accurately, write a 5. If you think it does not describe you at all, write a 1. If you think it only partially describes you, place yourself between the two extremes by writing a number from 2 to 4.

1. You stay with a task despite difficulties.
2. You are creative.
3. You take responsibility for your actions.
4. You want to know about things.
5. You set goals for yourself and work toward them.
6. You like to work at your own schedule.
8. You believe in yourself and in what you are doing.
9. You like a challenge, but you are not a gambler.
10. Your successes bring a desire for more.

**Rating Your Characteristics** By rating your entrepreneurial characteristics, you can assess your personal potential to become an entrepreneur. The circled numbers represent the strength of each characteristic. If you had to use words instead of numbers to describe each level, what terms would you use?
You can also strengthen your entrepreneurial characteristics by reading, writing, observing, and solving.

1. **Reading**  Read articles and books about entrepreneurs and entrepreneurial activities.

2. **Writing**  Write brief essays or stories about living or historical figures who overcame obstacles to achieve success.

3. **Observing**  Watch films or videos about successful businesspeople, athletes, and other achievement-oriented individuals.

4. **Solving**  Solve case problems that call for identification of goal-oriented behavior, creativity, and moderate risk taking.

Turning desirable traits and behaviors into habits takes time and practice, but these habits can become part of your makeup.

### Develop Your Entrepreneurial Skills

To be a successful entrepreneur, it is essential that you develop the foundation skills discussed in this chapter. In order to start or run your business, it helps to have good communication skills, math skills, problem-solving skills, computer and technical skills, decision-making skills, organizing and planning skills, teamwork skills, social skills, adaptability skills, and basic business skills.

You do not have to be an expert in each of these areas. However, you must develop these skills in order to meet the various challenges that come with owning your own business.

Follow this three-step process to gain competency in the foundation skills for entrepreneurs:

1. Learn the techniques needed to use the skill.
2. Put the skill to work in real-world or simulated situations.
3. Ask yourself whether you got the results you want. If not, determine how you can improve and apply what you have learned.

### Changing Companies

**Situation** While working for a software design company, you came up with many innovative uses for the software you helped to design. However, the president of the company would not market the innovations. When the economy became unstable, you lost your job.

**Gaining a Business** After several interviews, you are offered a partnership at a competitor’s software design company. After you begin working at the new company, the president asks you to share the innovations you came up with while working at your former job. He wants to use the ideas to gain a market advantage over your former employer.

### ETHICS and BUSINESS

**Intellectual Property Rights** Your thoughts belong to you. Or do they? Who owns the rights to the thoughts and ideas you generated while employed by a company?

1. Is it ethical to use the innovations you came up with while working for one company to help another company prosper?

2. Write a one-page research paper explaining your answer.
Developing Technical and Business Skills

You can develop technical skills and basic business skills, including computer skills, in school, through work experience, and by reading. Practice using different computer software in your spare time at home. Use a search engine to find Websites that will help you develop new skills. When a proposed business’s processes and technology are simple and straightforward, technical skills can be acquired quickly. In other instances, education and training are recommended for the prospective entrepreneur.

Obtaining employment in a similar or related business is a good way to develop technical skills. Another alternative is to take classes that pertain to the business. Still another option is to attend workshops. Workshops are often available through community colleges, economic development organizations, manufacturers, and suppliers.

### SECTION 2.2 Review

**After You Read**

**Self-Check**

1. **Identify** what the research on entrepreneurs' backgrounds means to you personally.
2. **Name** the 12 characteristics of successful entrepreneurs.
3. **List** the six skills entrepreneurs need to organize their business.

**Think**

4. **Analyze** your class schedule to determine at least three ways that each course can strengthen your entrepreneurial characteristics or improve your entrepreneurial skills.

**Mathematics**

5. **Mental Math** Before Spencer and Kiyoni can open their sporting goods store, they need to research the investment required. In order to do this, they made the following table. Explain how you would use mental math to figure the approximate investment required.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>$110,250</td>
</tr>
<tr>
<td>Store Fixtures</td>
<td>$89,941</td>
</tr>
<tr>
<td>Computers and Systems</td>
<td>$9,680</td>
</tr>
</tbody>
</table>

**Math Concept** Estimation Some questions involving math can be answered by estimating instead of calculating an exact solution.

**Step 1:** Think about how to use rounding to estimate sums.

**Step 2:** Use words to explain your approach to estimating the answer.

Go to [connectED.mcgraw-hill.com](http://connectED.mcgraw-hill.com) to check your answers.
Entrepreneurs in Action

Ben Clark
Freelance Photographer

Q What do you do?
A I am a freelance photographer. Assignments or projects come from clients such as lifestyle magazines, clothing companies, skateboard gear manufacturers, event coordinators, and stock film agencies. I also shoot photos for artistic purposes.

Q What kind of training and education prepared you for this job?
A I started taking photos when I was in high school and concentrated on fine art photography when I attended college. After graduating, I had to go out, gain experience, and learn the business side of my work. I now run my own business and create my own jobs.

Q What do you enjoy most about your job?
A It isn’t repetitive and I don’t have to be sitting behind a desk from 9 to 5. Every assignment is different. When I arrive at a shoot, I have to figure out what kind of photos I can get out of my subject. I consider the person’s appearance and mood, the environment, and the client’s expectations. When I’m finished with a job, I move on to the next one.

Q How did you become interested in your field?
A I’ve always had an interest in cameras, and I really enjoy the process of photography. I appreciate the mechanical, analog style of shooting photos as well as the modern, digital process. Either way, I still feel excitement when I snap a picture and anticipate how the image will look. Then, using the technological advancements of digital photography, I can create the image that I need in postproduction.

Make a Brochure
Write a description of photographic services offered. It can be portraiture, event photography, product shots, or other jobs.
1. Use word processing software to describe your services.
2. Use a spreadsheet program to create a table listing your services and their prices.
3. Combine the pieces to make a brochure. It can be factual or artistic but should include information such as services, prices, and contact information.

Q What kind of training and education prepared you for this job?
A I started taking photos when I was in high school and concentrated on fine art photography when I attended college. After graduating, I had to go out, gain experience, and learn the business side of my work. I now run my own business and create my own jobs.

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Career Facts

<table>
<thead>
<tr>
<th>Real-World Skills</th>
<th>Academic Skills</th>
<th>Career Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punctuality, Interpersonal</td>
<td>Mathematics, English</td>
<td>Arts, A/V Technology &amp; Communications</td>
</tr>
<tr>
<td>Skills, Computer Skills</td>
<td>Language Arts, Fine Arts</td>
<td></td>
</tr>
</tbody>
</table>

Chapter 2 • Your Potential as an Entrepreneur
Your Potential As an Entrepreneur

Look Before You Leap  Before starting your own business, weigh the rewards and risks.

<table>
<thead>
<tr>
<th>Rewards</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Be your own boss</td>
<td>• Work long hours</td>
</tr>
<tr>
<td>• Do something you enjoy</td>
<td>• Uncertain income</td>
</tr>
<tr>
<td>• Be creative</td>
<td>• Be fully responsible</td>
</tr>
<tr>
<td>• Set your own schedule</td>
<td>• Risk your own investment</td>
</tr>
<tr>
<td>• Job security</td>
<td></td>
</tr>
<tr>
<td>• Earn more money</td>
<td></td>
</tr>
<tr>
<td>• Community recognition</td>
<td></td>
</tr>
</tbody>
</table>

Keys to Success  Successful entrepreneurs have these traits and qualities.

Skill Sets  Foundation skills are used when setting up and running a business.

- Persistent
- Enthusiastic
- Creative
- Action-oriented
- Restless
- Risk-taking
- Self-confident
- Self-demanding
- Independent
- Inquisitive
- Goal-oriented
- Responsible

Foundation Skills

- Communication
- Mathematics
- Problem Solving
- Technology and Computers
- Decision Making
- Organizing and Planning
- Basic Business
- Teamwork
- Social Skills
- Adaptability

Rewards Risks

- Be your own boss
- Do something you enjoy
- Be creative
- Set your own schedule
- Job security
- Earn more money
- Community recognition

- Work long hours
- Uncertain income
- Be fully responsible
- Risk your own investment

Characteristics of Successful Entrepreneurs

- Persistent
- Enthusiastic
- Creative
- Action-oriented
- Restless
- Risk-taking
- Self-confident
- Self-demanding
- Independent
- Inquisitive
- Goal-oriented
- Responsible
**Review and Assessment**

**CHAPTER 2**

**Vocabulary**

1. On a sheet of paper, use each of these terms and words in a written sentence.

**Content Vocabulary**
- competition
- investment
- capital
- role model
- foundation skills
- profile
- achiever

**Academic Vocabulary**
- guarantee
- control
- determine
- accurate

**Key Concepts**

2. **Identify** the rewards of going into business for yourself.
3. **Recognize** the risks of going into business for yourself.
4. **Describe** the background, characteristics, and skills of successful entrepreneurs.
5. **Explain** techniques that will improve your potential for becoming an entrepreneur.
6. **Compare** owning a business to working for someone else.
7. **Explain** why some people become entrepreneurs and others do not.
8. **Name** some personality traits that could interfere with becoming a successful entrepreneur.
9. **Describe** why role models are important to entrepreneurial success.

**Academic Skills**

**Mathematics**

10. **Analyzing Data** A study showed that 47 percent of entrepreneurs were under age 35 when they started their businesses. The same study showed 16 percent were under the age of 25. If there were 1,855 total entrepreneurs, how many were under the age of 35 when they started their businesses? How many were younger than 25?

   **Math Concept** **Percents** Percents can be thought of as parts of the whole.
   **Step 1:** Divide the percent by 100 to determine its decimal equivalent.
   **Step 2:** Multiply the number by the decimal to obtain the number of businesses.

**English Language Arts**

11. **Personal Lists** Under separate headings, list the traits and skills you possess that are important to a successful business. Then list the traits and skills that you need but do not have today. Share your lists with classmates, and identify one or two others who have strengths that match your weaknesses. Discuss with them what kind of business you might like to start together and how you would share roles and responsibilities.
Academic Skills (continued)

Social Studies

12. Local Conservation Write a report about what businesses in your community are doing to recycle. Interview local entrepreneurs and draft a plan for a school-wide recycling program with their assistance.

Science

13. Task Efficiency Choose a task you and a classmate do on a regular basis and perform a time and motion study. To do this, keep a record of the steps you take to accomplish the task and the time it takes you to do each step. Compare your record with your classmates to see who accomplishes the task more efficiently.

Real-World Skills

14. Practice Persuasion Advertisements try to persuade you to buy a product. Pick a product that you feel strongly about. Write a short speech about your topic in which you try to persuade your classmates to agree with your point of view. After you present your speech, ask if anyone changed their opinion.

Information Literacy

15. Assess Your Potential Use a search engine to locate information about the characteristics, skills, aptitudes, abilities, and personality traits needed for entrepreneurial success. Then write a report that concludes whether you have the potential to be an entrepreneur based on your findings.

Connect to Your Community

16. Analyze a Failed Business Select a local company that has recently gone out of business. List some of the reasons the business might have failed and how the owner might have prevented the business from closing.

17. Interview an Administrator Interview an administrator at your school. Share the characteristics of successful entrepreneurs that you learned about in this chapter and ask the administrator which traits he or she has. Ask him or her to compare being a school administrator to being an entrepreneur. Share your findings with the class.
Competitive Events Prep

18. Situation  You are a student in a high school entrepreneurship class. You enrolled in this class because you want to open your own business some day. You have limited work experience and are not sure about the training and experience you should have to open a successful business.

Activity  Your class has been assigned the task of evaluating individual potential as entrepreneurs. Use the list of essential skills of successful entrepreneurs provided in this chapter. Note to what degree you feel you possess each skill, and note ways that you can enhance each of the skills. Compile your self-evaluation in a written report.

Evaluation  You will be evaluated on how well you meet these performance indicators:
- Describe desirable entrepreneurial personality traits.
- Evaluate personal capabilities.
- Conduct a self-assessment to determine entrepreneurial potential.
- Prepare simple written reports.

Go to connectED.mcgraw-hill.com for more information about this activity and other competitive events.

Standardized Test Practice

Directions  Choose the letter of the best answer. Write the letter for the answer on a separate piece of paper. For question #2, if the answer is False, rewrite the statement to make it true.

1. Which of the following sets of skills is essential for an entrepreneur?
   A. Manufacturing skills
   B. Problem-solving skills
   C. Graphic design skills
   D. Engineering Skills

2. Nearly half of entrepreneurs were under age 35 when they started their business.
   T
   F

Test-Taking Tip
If each item on a test is worth the same number of points, do not spend too much time on questions that are confusing.