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A First Course in Entrepreneurship Fundamentals, Part II

Alex Stewart

Marquette University, alex.stewart@marquette.edu

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In Part One we explored two of four early-stage competencies that our students need in order to appreciate and understand their entrepreneurial potential: self-understanding, and awareness of the careers and development of real entrepreneurs. In this Part Two we explore the third and fourth competencies: a sense of what venture would really work for them, and business-relevant creativity. As in Part One, I will explain what I mean by these, why they are critical, and how I attempt to develop them in the classroom. Here I also consider the challenge you would face if you find in your class both students needing work on these very preliminary competencies and others who are further along the curve towards self-employment.

Competency Three: Knowing what would be real and fulfilling. The popular business plan competition approach to teaching entrepreneurship can easily lead to fancy-seeming exercises that have no prospect of launch. Rather, each student should try to master a venture they really could launch before long. Modest, even part-time ventures that are real will teach more than “high potential” plans that are not. Creating a plan that is real, that has the level of detail that shows plausible potential, takes a lot of motivation. This cannot come from class projects alone. Moreover, the bigger opportunities for our students will not be learned in our classrooms but rather in the markets. Our responsibility, I believe, is to help them launch a venture that has a prospect of survival for long enough that they can later discover their main chance once in the marketplace.

How can this be included in the same course? It can't; that's the role of a business plan course that comes later in a program. However, in this early course they should start to make the venture real with a simpler exercise. I have found that Jim Horan's (2004) *One Page Business Plan* book works really well (and with practicing business owners as well as with students). However, it is as it says only one page and therefore misses many crucial questions. For this

reason, I have written six sections (all starting with “C”) to add to the five from the book. As a result, students write a two and a half page plan with the following sections: Vision, Mission, Customers, Competitors, Capabilities, Commitments, Objectives, Strategies, Channels, Plans, and Capital. This additional material, with a note on how to integrate it with Horan’s material, may be downloaded from the NACCE website.

Competency Four: Business-relevant creativity. Two closely related myths about entrepreneurs are that (1) they succeed because of novel or highfalutin “ideas” and (2) they are especially “creative.” Perhaps there have been a few such figures, but as generalizations these are myths, myths that discourage would-be entrepreneurs because they judge themselves wanting in both areas. These myths also obscure the kind of creativity that actually is involved in entrepreneurship. This creativity has the purpose of solving the many challenges, large and small but generally small and operational, that vex any venture. Therefore, exposing students to techniques for business creativity has two benefits. It assures them that they, too, can be sufficiently creative. It also helps with their individual venture plans and generates the kind of highly specific concepts that help to transform their plans from vague speculations to realistic prospects for action.

How can we teach students business-relevant creativity? There are many approaches that work I would think, but all approaches, I believe, should be based on efforts to solve business challenges. At first these can be quite general, such as “what business is right for me?” They are best if they are definite, specific questions that arise in the entrepreneurial process and that the students truly care to resolve. Examples might be “which of these locations is best?” or “how can I cut labor costs for my lawn care crews?” Creativity techniques that are removed from this foundation in practical concerns will seem too abstract and air-fairy for business students. With this practical foundation, students discover that they too can be much more

creative than they expected. For this reason, the focus on developing this fourth competency is best timed after some progress has been made on the first three competencies.

Currently I use a number of the exercises from *Thinkertoys*, a book by Michael Michalko (2006). You would need to choose which ones to use based on the tolerance of your class for “far out” techniques. Some are very conventional; for example, a simplified form of scenario planning. Others are based on developing intuition; some are very close to forms of meditation. (I point out that they’re also close to forms of prayer.) How can this work be graded? It defeats the purpose to insist on immediate results from each exercise. I require each student to complete the required exercises (for which I give choices in which ones to choose), and for those that generated a business solution, to indicate which challenges were at issue, what resolution emerged and how. Some students generate many rather minor resolutions and some generate one or two very large ones. Both can be valuable.

A related assignment that I have recently tried is to have students make portraits of themselves and their ventures using any of two different media. I suggest many options including paint, poetry, photos, collages, songs, and so on. Was there pushback for such a not-business project? Some, yes. Did they end up enjoying it? Definitely. For many it was the highlight of the course. Was it worth doing? I think so but can’t say with much confidence as yet. I think this will take time for alumni to give me their feedback. One unexpected benefit of these assignments is that the best of them will work well in a display of student projects that can be exhibited for other students and entrepreneurial guests. To date the only such displays we have mounted have been in our business plan competition. However, next April (lead times for schedules being lengthy!) we will hold our first entrepreneurship fair to highlight student works and to offer a chance for networking and mingling with both other students and entrepreneurs.

More advanced students in the same class. Ideally this fundamentals class will have only early-stage students. Lately I have had to accommodate some more seasoned

students in the same course. You might face the same challenge. My approach for my next iteration is to determine the level of preparation at the outset and offer a different set of assignments to the more experienced students. Instead of using *Thinkertoys* they will instead use *Business Model Creation* (Osterwalder & Pigneur, 2010). This is not because they cannot gain from *Thinkertoys*; to the contrary they can gain the most. However, their businesses stand to gain the most of all if they can innovate with their models for making money – the point of Osterwalder and Pigneur’s book. Instead of writing a personal essay and career plan they will work on a very specific operational plan of use to their ventures. For example, they might work on an HR handbook or a plan for using social media for promoting their business. The materials they use will have to be tailored to the project but would be from the field of small business management (such as Strauss, 2008). Finally, their media project can be more specifically business-related, such as new logos, web pages, or advertising jingles. Some of the less experienced students might campaign for this option as well. If you decide to include this assignment you can use your judgment but my suggestion is to compromise and let them do one of two works in such a practical fashion. My experience has been that only the more experienced entrepreneurs are able to do meaningful work of this sort.

Three changes have been suggested for these more experienced students: work on a specific operational plan instead of the self-assessment, creativity exercises in the context of business models, and more applied artistry. As these new changes to my teaching demonstrate, and as you no doubt know, we have to be responsive and constantly innovate ourselves. I hope that other instructors will have found in this paper some ideas that can be adopted and adapted for their particular student needs. I also hope that they will share their experiences.

Resources

Horan, J. 2004. *The One Page Business Plan for the Creative Entrepreneur*. Berkeley, CA: The One Page Business Plan Company.

Michalko, M. 2006. *Thinkertoys: A Handbook of Creative-Thinking Techniques, 2nd Ed.*. Berkeley, CA: Ten Speed Press.

Osterwalder, A., & Pigneur, Y. 2010. *Business Model Creation: A Handbook for Visionaries, Game Changers, and Challengers*. New York: Wiley.

Strauss, S. D. 2008. *The Small Business Bible, 2nd Ed.* New York: Wiley.