

Session One

What Is Entrepreneurship?

Overview:

Entrepreneurship is about seeing opportunities and bringing about change. Aspira and our corporate partner, Morgan Stanley, believe that true opportunities lie in our young people. *Aspirantes* demonstrate every day that they have the creativity and the motivation to change their world. Through this course, we hope to provide you with more tools to see possibilities and succeed in whatever you choose. Aspira supports business education because we believe that the Latino community will not move forward as long as it remains poor. More Latinos need to embrace financial opportunities, both in their careers and in their personal lives. Imagine how the world would change if more Latinos held high-powered positions in companies or owned their own businesses.

During the next ten sessions, you will learn about leadership. More importantly, you will start to see that you already have many leadership qualities. We will discuss the fundamentals of being successful in business, including attitude and goal-setting, as well how to put yourself on the right educational track for a solid career in business. However, this class is not just talk. This will be a hands-on experience, where you will have a chance to develop a successful business plan and actually start your own business. You will also learn about investing and practice managing your own stock portfolio. You will visit the financial center of your city, tour the trading floor, see the offices of major investment banks, and visit the campuses of nearby business programs. You will have a chance to mentor with an investment banker and intern at a local small business or at a major corporation.






This class is about you. We want it to be driven by the students. If you don't like something or see something missing, speak up! You have a chance to recommend activities, trips and other opportunities. Aspira Business Clubs are being created in four cities: New York, Philadelphia, Wilmington (DE) and Chicago. Each group will be full of talented young people who have already shown strong initiative to take on new challenges while having fun. We hope you decide to communicate with the other Aspira Business Clubs to share ideas and maybe plan to meet.

Just like starting a business, being a part of this class involves commitment and hard work. Because there is a lot of information to cover, you will have to work outside of class to cover the background reading and research, as well as to develop plans for your own business. We want this experience to be rewarding for you, one that may change the course of your life. Are you ready?

Session Goals:

The introductory session to the Entrepreneurial Leadership Course and the first meeting of the ASPIRA Business Club should serve to welcome the participants, break the ice, discuss the broad outline of the course and the schedule of activities, and get feedback from the participants in terms of what they want to get out of the course.

Section activities at a glance:

Suggested Activities	Time	Objective
 <p>1.1 Introduction to the Course: Objectives/ Format/Goals</p>	15	Present students with the class format and schedule; discuss what the course will cover; (optional) explain planning exercise.
 <p>1.2 What is Entrepreneurship and why should we learn about it?</p>	20	Give an overview of how entrepreneurship is different from other careers. Discuss the reasons that entrepreneurship education benefits young people and the problems it can help solve.
 <p>1.3 Class Discussion: Review preliminary research, current events and case studies</p>	25	Solicit input from students on what they have observed about entrepreneurship. Define case studies and explain their use. Detail how journals will be used throughout course.
 <p>1.4 Discussion of Background Reading</p>	25	Discuss this week's assigned text. Review the major lessons and answer any questions. Determine how students can put the information to use for their own entrepreneurship plans.
 <p>1.5 Session II Preview and Assignments</p>	10	Provide overview of next session's topic. Clarify time and meeting place of next activity. Assign background reading.



Activity 1.1: Course Overview

Time: 15 minutes

Purpose: Present students with the class format and schedule; discuss what the course will cover; (optional) explain planning exercise.

Materials Needed: Chalkboard, overhead and transparencies, or flip chart. Copies of Session 1 Handouts for each student.

Steps to Cover:

- 1) **Welcome the students.** Explain your role as the Aspira Business Club (ABC) facilitator.
- 2) **Explain the overall course format**, i.e. There will be a total of 10 classroom sessions. Indicate the regular meetings time/place and how students will be informed of any changes or additions to the meeting schedule. Discuss the teaching methods (detailed in the *Teaching Entrepreneurship Guide*):
 - 1) Facilitator presentation
 - 2) Student handouts
 - 3) Class discussion
 - 4) Outside reading
 - 5) Regular research
 - 6) Journal keeping
 - 7) *The Stock Market Game*
 - 8) Guest speakers
 - 9) Career Panel
 - 10) Mentors
 - 11) Developing a business plan (last 3 sessions)
 - 12) Activities and trips
 - 13) Internships
- 3) **Explain Session I format**
 - a) Facilitator Presentation
 - b) Class discussion of entrepreneurship; preliminary business ideas
 - c) Discuss 'case studies' from students' observations
 - d) Discussion of pre-class reading: *Rules for Revolutionaries*
 - e) Assignments; Preview of Session 2



Activity 1.2: Presentation Topic — What is entrepreneurship and why should we learn about it?

Time: 20 minutes

Purpose: Give an overview of how entrepreneurship is different from other careers. Discuss the reasons that entrepreneurship education benefits young people and the problems it can help solve.

Materials Needed: Chalkboard, overhead and transparencies, or flip chart.

Facilitator Presentation — Discussion Notes:

What is an Entrepreneur?

Entrepreneur is actually a French word that means “undertake”. The English understanding of this term is someone who wants to start a business or enterprise.

Entrepreneurs are sometimes seen as people of very high aptitude who pioneer change. However, a basic definition is that anyone wanting to work for him or herself is an entrepreneur.

Webster’s defines **Entrepreneur** as “One who organizes, operates and assumes the risk in a business venture in expectation of gaining the profit.”

It is common to differentiate between an entrepreneur and a small business owner. Entrepreneurs usually use innovation to generate higher profits during a shorter period of time by assuming more risk. Small business owners may found businesses or organizations that grow more slowly but more stable rate.

Entrepreneurship can be described as the search for new products, new production methods, new markets and new forms of an organization.¹ It is based on innovation and the desire for change. Entrepreneurship is looking at the world that way you want it to be, rather than the way it is.

Entrepreneurs may be responsible for founding many different types of organizations:

¹ Austrian economist Joseph Schumpeter’s definition, according to *Quick MBA*

- **For-profit:** A “for-profit” or “commercial” venture is created and remains viable due to the desire to sell something for a profit. This product may be a good or a service, described below.
- **Non-profit:** A non-profit venture is created and remains viable as a result of a desire to improve the quality of life for a group. A person founding a non-profit may be considered a social entrepreneur, since he or she is motivated by the desire to have an impact on society instead of earning money. Non-profits often dedicate themselves to social issues such as environmental concerns, animal rights, unemployment, health care, and advocacy for “underserved” groups such as Latinos, senior citizens and women.
- **Large scale and small scale.** Entrepreneurial activity may take place within a large company or within the home, school, church or local community organization.
- **Service production and goods production.** Entrepreneurs can be at work providing a service such as delivering food, mowing lawns, developing a technology or they can be at work producing and selling a product such as hockey sticks, software, tires, or advertising brochures.
- **Local/national/international.** Activity can take place at home, in school, in the state, within the United States, or internationally. Students need to be aware of changes resulting from decisions of the North American Free Trade Agreement (NAFTA).

The most important quality of an entrepreneur or an entrepreneurial activity is the ability to see an opportunity.

What is an opportunity? It's a desired future that is different from the present. It is a belief that achieving this is possible. Opportunity depends on the person, the environment, access to resources and timing.

Entrepreneurship =

- 1) Identifying an opportunity
- 2) Pursuing that opportunity beyond your current resources
- 3) Believing that the opportunity can be achieved.

Entrepreneurship is about **creativity**. Entrepreneurs use innovation and hard work to overcome obstacles to their success.

Entrepreneurship is about fun. Nothing feels better than focused effort and accomplishment.

Entrepreneurship is about freedom. Few things in life are as empowering as being able to determine what work you will do, when, where and with whom you will do it.

Entrepreneurship is about responsibility. We may not report directly to bosses, but we **do** have lenders, investors, family and the ever-present laws of profitability. Most of all, we answer to ourselves.

Entrepreneurship is about hard work and dedication.

Entrepreneurship is about being **true to our visions and our passions**. As entrepreneurs we design the business we love and work hard to provide our customers, employees and community with the best we have to offer.

Entrepreneurship is about **diversity**. Anyone can become an entrepreneur if they have a keen curiosity to learn and a desire to overcome the challenges inherent in learning new and exciting things.

Why Should We Learn About Entrepreneurship?

The goal of entrepreneurial education is to teach young people to see opportunities and act on them. Many people choose to leave problem solving and innovation to others. Entrepreneurs do not. There is more than money involved in entrepreneurship — there are new ideas, approaches, methods and styles that can be tested. Students should understand that entrepreneurial education and spirit applies to everyone regardless of what position, occupation or profession an individual selects.

Reasons for entrepreneurship education may be:

- To find solutions to problems or needs;
- to accept and respond to change;
- to adjust to an increasingly global, competitive economy (aspects of tradition and the past may be left behind);
- to find new ways to solve social problems;
- to improve performance;
- to stimulate new business and the economy (new jobs and employment opportunities);
- to inspire and enhance opportunities for women, youth, elderly, minority groups;
- to move to an information society where the strategic resources are information, knowledge, and creativity;
- to help workers shift to a “service industry base” from a manufacturing/industrial base;
- to help reduce the number of failed business ventures.



Activity 1.3: Class Discussion — Preliminary research, current events and case studies

Time: 25 minutes

Purpose: Solicit input from students on what they have observed about entrepreneurship and what they hope to get out of the course. Define case studies and explain their use. Detail how journals will be used throughout course.

Materials Needed: Chalkboard, overhead and transparencies, or flip chart; current events articles; journals

Ideas to Generate Class Discussion:

I.) Entrepreneurship

- a) What attracted students to this class?
- b) What are their ideas, inspirations?
- c) What is their past experience with entrepreneurship? What about family members and friends?
- d) If they had to brainstorm about opportunities (at school, in the neighborhood, with their peers, for investing, for fundraising), what would they name?
- e) What are the advantages of being an entrepreneur? Disadvantages?
- f) What are some barriers to entrepreneurship? Name some solutions. (e.g. problem = no money, solution = save; borrow from family/friends; look for partners/investors; get a business loan from a bank; look for less expensive route to starting business.)
- g) What do the students most want to get out of this course? What activities are the most important and least important?

During the discussion, assess the students' current knowledge and opinions about entrepreneurship and business practices in general. Using the feedback, consider ways to tailor the course to students' interests.

II.) Current Events

- a) If you have asked students to bring in articles, ask each one to give a short summary of the article and why they felt it was important to the class;
- b) Distribute various business publications (*Wall Street Journal*, *Business Week*, *Financial Times*, *Money Magazine*, *Fortune Magazine*, *The Economist*) as well as a list of web sites for each publication. Students should determine if they would like to use any of the course budget to pay for subscriptions.
- c) Explain that savvy business people make a habit of scanning the headlines and reading in detail the articles that most interest them or affect their area of business.

- d) Decide if students would like have a running assignment to find articles that relate to the next sessions' topic and bring them to that session, e.g. if the next session topic is ethics, students would look for newspaper, magazine and internet articles, or summarize a TV report related to ethics.

III.) Using Case Studies

- a) A case study is a chance to look at a real life business example to find lessons that you can apply to your own business.
- b) If the students have read part of *Rules for Revolutionaries*, ask them to identify an example of the case study from the book. (Otherwise, you might select a brief article from a business publication.)
 - i.) Pause while students read or re-read a case study;
 - ii.) Ask them to name a few "lessons" from the case;
 - iii.) Ask for volunteers to discuss how these lessons might be applied in other businesses, or specifically to a business plan a student is considering;
 - iv.) Discuss whether the students would like to review a relevant case study for each topic covered during the course.



Activity 1.4: Discussion Of Background Reading

Time: 25 minutes

Purpose: Discuss this week's assigned text. Review the major lessons and answer any questions. Determine how students can put the information to use for their own entrepreneurship plans.

Materials Needed: "Book Discussion Notes" found in the *Teaching Entrepreneurship* Guide for whatever text has been assigned as the pre-course reading. Copies of participant handouts.



Activity 1.5: Assignments & Session 2 Preview

Time: 10 minutes

Purpose: Explain the planning activity, which will give the students an opportunity to learn hands-on how to manage the ABC budget. If you choose to do this, distribute Handout 1 and the list of potential activities, which should have been partially completed by the facilitator. Assign journal topic, background research and text for the next session.

Materials Needed: Copies of participant handouts. Blank journals.

Steps to Cover:

- 1) Course Budgeting Activity
 - a) Distribute activity budget template and activity list.
 - b) Explain that the purpose of the budgeting activity is to give the students some control over how the course budget will be spent.
 - c) Explain that each student will be assigned a potential activity to research.
 - d) Using the blank budget, students should estimate the entire cost for each student and the instructor to do the activity.
 - e) Each student will be asked to report on his or her activity estimate at the next session.
 - f) Based on this research, all of the students will be able to vote on how to allocate the course funds.
- 2) Using the Objectives section of the Session 2 Facilitator's Guide, preview the topics that will be discussed during the next session.
- 3) Describe the journal entry process you will be using for this course (see options in Teaching Entrepreneurship Guide). Assign students a topic for next week's journal entry, or you may base this on the next session's topic, e.g. Ethics.
- 4) Assign the pages or chapters for the next session's book discussion.
- 5) If you are comfortable holding "office hours" or giving students your email and telephone number, provide them with information on how and when you can be contacted.
- 6) Thank the students for contributing to a successful meeting of the Aspira Business Club. Remind them that the process should be participatory and you look forward to their comments and suggestions for the next session.

Handout 1: Activity Budget

Activity Budget — Name Of Activity:

Trip Breakdown	Unit Cost	No. Students	Total Cost
1. Travel			
A. Van rental			
i. Rental Charge			
ii. Insurance			
iii. Gas			
iv. Driver fee			
v. Parking			
B. **or Roundtrip Fare per student			
C. Lodging per student			
2. Cost of admission (if any)			
3. Meal stipend per student			
4. Supplies (guidebook, notepads, pens, camera, film, etc.)			
5. Miscellaneous			
	Total Cost for Activity		

Handout 2: Lessons from Hispanic Entrepreneurs

By combining a willingness to take risks and a willingness to sacrifice and work hard in pursuit of a better life, Latinos, in the space of only a decade, have become the nation's fastest-growing pool of business owners, according to the Heritage Foundation. As Editor Tyce Palmaffy, of the Heritage Foundation's magazine, states, "Latinos are moving into every field, from major telecommunications firms to candle manufacturers. The most successful ones acquire skills and business acumen working for larger firms, build their savings, and, often with the help of family and friends, finally go into business for themselves."

The result of this growth was portrayed in statistics released by the Census Bureau. Between 1987 and 1992, the last year for which these statistics are available, the number of US businesses owned by Hispanics rose 76 percent, from 490,000 to 836,000. The soaring growth of the Hispanic business community is not only lifting Hispanic incomes, it is also revitalizing neglected areas of cities where Hispanics have established a strong presence.

There are many organizations today that specifically support Hispanic Entrepreneurial ventures or provide additional resources to more information on starting your own business:

Websites-

www.DiversityInc.com

www.latinolink.com

National Hispanic Business Group — www.infolatino.com/NHGB

National Puerto Rican Business Council — www.infolatino.com/NPRBC

League of United Latin American Citizens (LULAC) — www.lulac.com

See also: list of entrepreneurial websites in appendix C

Example:

Business: LULAC believes Latino Entrepreneurship should be greatly encouraged. Incentives for small business owners and investment in Latino-owned businesses should be a priority. Affirmative action policies in hiring should be retained and widely used to ensure diversity in all workplaces. LULAC strongly supports the continuation of Section 8a programs that has done so much to help Hispanic small businesses.

Handout 3: Case Studies

The following is a list of successful entrepreneurial ventures. Keep this list in mind when you are required to choose one. You can use the Internet to research a background profile on the organization and see how it got started.

Activision
 Avis Rent-a-car
 Bose Corporation
 Brinker International
 Bloomberg Business News
 Burger King
 Burt's Bees
 Campbell's Soup
 Charles Schultz
 Coffee Rich
 Cisco Systems
 Dabney/Resnick
 Dell Computers
 Delta Airlines
 Domino's Pizza
 Eckerd Drugs
 Estee Lauder
 Federal Express
 Gateway 2000 Computers
 George Lucas
 Hallmark
 Home Depot
 Intel
 John Grisham, author
 Kinko's
 L.L.Bean
 Lay's Potato Chips
 Life Magazine
 Microsoft
 Nestle Foods
 Nintendo
 Netscape
 Nike Shoes

1-800-Flowers
 Perdue Chicken
 Polaroid
 Powerbar snack food
 Post-It Notes (3M)
 Ralph Lauren/Polo
 Styrofoam
 Successories
 Sharper Image
 Snapple
 Tower Records
 TV Guide
 Wal-Mart
 Wendy's
 Yellow Pages

Hispanic Entrepreneurs:

CSP Communications
 Delta Engineering & Manufacturing
 Latina Magazine
 LUNA Entertainment
 Marivi Prado and Associates
 Quality Management Resources, Inc.
 Rick Montoya Services, Inc.

Handout 4: Profiles of Successful Hispanic Entrepreneurial Leaders

The following is a selection of successful entrepreneurs, ranging from CEO's of major corporations to managers of small businesses:

Roberto C. Goizueta — *Former CEO of Coca-Cola*

Born into a Cuban family, Goizueta began his career in 1954 as a chemist in the Coca-Cola Company in Havana. After fleeing Castro, Goizueta relocated to Florida and progressed through the ranks of the company. By 1974, as head of Coke's labs, he was one of only two top chemists allowed to memorize the soda's secret formula. In 1981, Goizueta was tapped to run the Atlanta-based company. At the time, Coke was an omnipresent but floundering symbol of American business and culture. Subsequently, Goizueta became one of the most highly regarded of all CEOs, having turned one of the world's most nonessential consumer products into a money maker with annual sales of \$18.5 billion. His strategy: if a business doesn't add value, say goodbye. His desire to increase shareholder value became the dominant management theme of the 1990s. According to Berkshire Hathaway CEO Warren Buffet, a Coke board member, "He was a great leader and a great gentleman."

Solomon Trujillo — *CEO of US West Telecommunications*

Trujillo, a native of Cheyenne, WY, joined US West in 1974 and held a number of assignments in marketing, sales, public policy, and operations. In 1983, he was named vice president for the company's operations in New Mexico. In 1987, he created a new division of US West to serve small business customers. Trujillo became president and CEO of US West marketing resources, the company's telephone directory of business, now known as US West Dex, in 1992. Since 1995, he has held the position of president and CEO of the "new" US West Communications. In this role, Trujillo has led a team producing 140 percent growth in total shareholder return and has been recently heralded as coming up with the most aggressive high-speed data employment of any local exchange carrier in the United States. Trujillo has been called the most important Hispanic in corporate America today. He has been named one of the country's 100 most influential Hispanics and has received numerous awards for his business achievements and community service.

Carlos Saladrigas — *Chairman and CEO of The Vincam Group, Inc.*

The Vincam group provides small and medium-sized businesses with staffing-related services. Under the guidance of Saladrigas, the company has established a co-employer relationship with almost 2,000 clients by providing human resource administration, regulatory compliance, worker's compensation coverage, health care, and other employee benefits.

Christy Haubegger — *Founder, President and Publisher of Latina Magazine*
Haubegger was born to a Mexican-American mother, yet she was adopted to an Anglo family who chose to raise her with a strong knowledge of her ancestry. In 1996, she created *Latina*, the first national magazine for Hispanic women in the United States. The magazine is directed to Latinas of all ages, generally in the range of 18-49, and is centered in cities with large Hispanic populations, such as LA, NYC, and parts of Texas. According to Haubegger, “I wanted to change the way Latinas see themselves, as well as how others see them. I felt it was the one women’s magazine that I’d want to read, and I kept thinking ‘Somebody should do it.’ And I finally realized that that somebody was going to have to be me.”

For more information, read attached interview.

Rafael Alvarado — *President and CEO of Better Bags, Inc.*

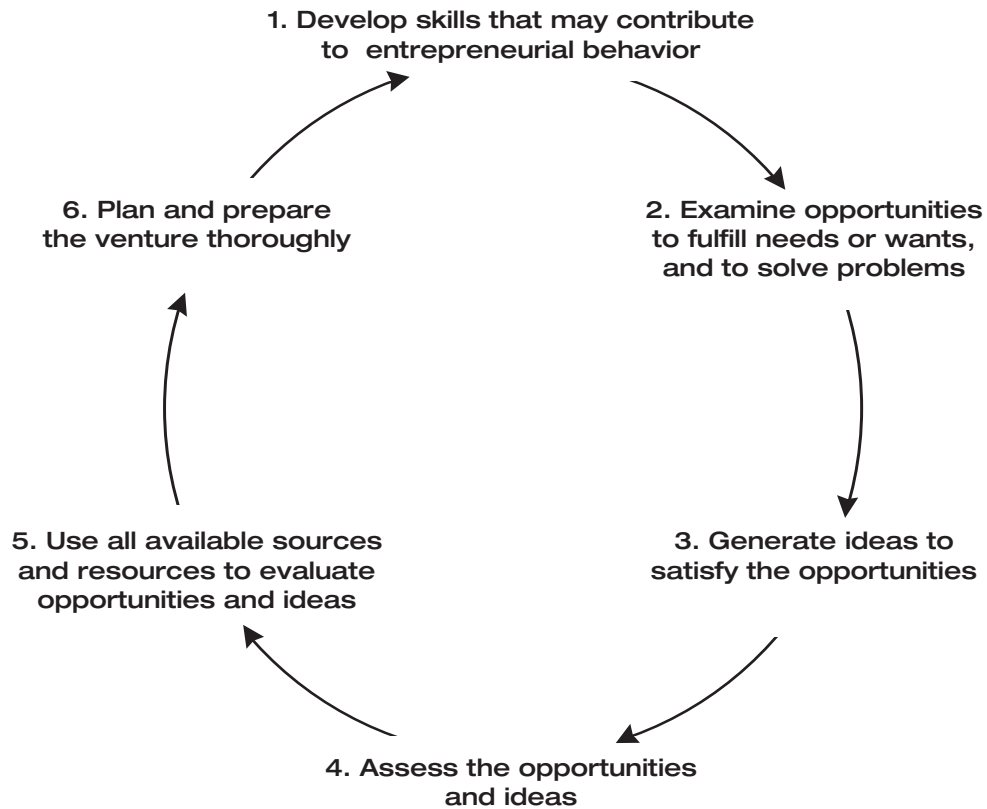
Alvarado came to the US from Nicaragua in 1983. The idea for Better Bags, a company that manufactures high-quality produce bags for grocery stores, came from Alvarado’s experience running a plastics factory back in Nicaragua. His produce bag is stronger and easier to use than the competition’s; moreover, it allows for advertising on its surface. Alvarado knew that opening a new business would be a challenge, and in order to be successful, he would have to market his bag throughout the US. The strength and confidence to proceed came from being accepted in his local community in Houston. Within two years, Better Bags had \$3 million in gross sales. Currently, Alvarado has customers in 33 states and gross sales of \$12 million. Alvarado takes seriously his commitment to the company’s employees and their families, as he provides health care and paid leave. This “empowerment” strategy has resulted in remarkably loyal staff, many of whom have been with the company for more than six years.

Leonard Brennan Rodriguez — *President of Tiempo Productions*

Rodriguez is a fifth generation Tejano who wanted to do something positive for the Hispanic Community. He created Tiempo Productions, whose motto is “You are bound only by your vision.” His first major publication is “The 1999 Celebrating Outstanding Hispanics Calendar — 500 Years of Latino Pride”, a day-to-day calendar profiling the accomplishments of more than 300 Latinos. Through this he hopes to increase the education of the Hispanic heritage and culture both within and outside of the Latino community. His advice for emerging Latino entrepreneurs is to, “Believe in yourself, listen to your heart and follow your dreams. I also found that the more I educated myself, the more confident I became. So my biggest piece of advice would be to educate yourself, work hard and when you do achieve success, and you will, do not forget to leave the door open behind you.”

For more information, read the attached interview.

Handout 5: The Entrepreneurial Cycle*



* Steps 1–5 do not necessarily have to be completed in order, but steps 1–5 must be completed prior to attempting step 6 — Developing the Venture Plan