

Session Two

What It Takes To Be An Entrepreneur

Overview:

To lead people, walk beside them ...
As for the best leaders, the people do not notice their existence.
The next best, the people honor and praise.
The next, the people fear;
and the next, the people hate ...
When the best leader's work is done the people say,
"We did it ourselves!"

— Lao-tsu

There are many ways to look at the roles and positions of leadership. Some people believe that leaders are born and come to a position of influence by virtue of the unique attributes they possess. Other people believe that leaders are the product of a given set of circumstances or events, as in the case of a teenage hero that emerges when his family's life is endangered by a fire, or the citizen who acts to save others in a time of a crisis. Another notion is that leadership is a divine right passed on by birth and selectively held by kings and descendants of noble lineage. At ASPIRA, we believe that our young people already possess strong leadership potential, and it is our responsibility to allow leadership talents to shine.

Leadership is fundamental to entrepreneurship. The purpose of this session is to look at what characteristics enhance a person's ability to lead. We will look at a few studies of successful entrepreneurs to try to identify what helped them on their way. Then students will be able to take one or more aptitude tests to see many entrepreneurial qualities and traits they already possess. Most importantly, students will be able to assess which entrepreneurial traits may need extra attention and design a game plan for self improvement.

Session Goals: Identify shared traits between leaders and entrepreneurs. Review some of the common stereotypes about business leaders and entrepreneurs. Assess your own entrepreneurial personality. Discuss leadership qualities and the path to developing an entrepreneurial personality.

Section activities at a glance:

Suggested Activities	Time	Objective
 <p>2.1 Presentation: Traits of an Entrepreneur and Myths about Entrepreneurship</p> <p>presentation</p>	10	Introduce students to some of the common traits associated with entrepreneurs.
 <p>2.2 Presentation: Myths about Entrepreneurship</p> <p>presentation</p>	10	Dispel common myths about successful business owners.
 <p>2.3 Interaction — Assessing and Strengthening Your Entrepreneurial Personality</p> <p>interaction</p>	20	After performing an individual assessment of entrepreneurial traits and skills, discuss ways to identify weaknesses and develop leadership skills.
 <p>2.4 Class Discussion: Review background research, current events and case studies</p> <p>discussion</p>	10	Solicit input from students on what they have observed about leadership in entrepreneurship in the news.
 <p>2.5 Class Discussion: Background Reading</p> <p>book talk</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>2.6 OPTIONAL: Planning Session for Course</p> <p>presentation</p>	20	Present research about course activities. Vote on activity preferences and schedule. Assign student sponsors for activities and other course logistics.
 <p>2.7 Session III Preview and Assignments</p> <p>preview</p>	5	Provide overview of next session's topic. Clarify time and meeting place of next activity. Assign background reading.



Activity 2.1: Presentation: Traits Of An Entrepreneur

Time: 20 minutes

Purpose: Introduce students to some of the common traits associated with entrepreneurs.

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

Facilitator Presentation — Discussion Notes:

(Encourage students to follow along on their handouts)

Aspira believes that leadership involves a set of characteristics and skills that allow a person to use him/herself in such a way as to influence others, to provide a vision and direction that others are willing to follow, and a personality and way of relating so that others are willing to accept his/her direction. We further believe that leadership skills can be learned. These include such skills as self-confidence, influencing others, and conveying and communicating ideas effectively. Although these skills are teachable, we recognize that certain characteristics may be inherent in a person's personality and may determine how effective and successful he/she will be in actually developing and employing leadership skills.

Entrepreneurs often possess many leadership qualities that you may already be familiar with, and some that are new. The list below contains some common traits of entrepreneurs:

- Tolerance for uncertainty and change
- Ability to create the illusion of stability
- Ability to deal with the unexpected
- Attention to detail
- Desire to go against the status quo (how things have always been done)
- Creative and innovative
- Endurance
- Long-term perspective
- Optimistic
- Fun-loving
- Independent

After listing each trait, ask the students how each of these traits is useful when starting a business. Which traits can be learned? Are teenagers more likely to have some of these traits? Why or why not?



Activity 2.2: Presentation: Myths About Entrepreneurship

Time: 20 minutes

Purpose: Dispel some of the common myths about successful business owners.

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

Facilitator Presentation — Discussion Notes:

The 5 Myths About Entrepreneurs

(adapted from a presentation by Dr. Peter Strachan, University of Bristol, England)

Note: While you present this information, students should complete the handout with their own summary of each myth and the truth behind it.

- 1) The Risk Taking Myth: “Most successful entrepreneurs take wild, uncalculated risks in starting their companies.”
 - a) Risk is part of doing business
 - b) Professional risk — most entrepreneurs are not well-established
 - c) Financial risk — most entrepreneurs have few if any financial assets
 - d) Highest risk often comes later in the business, not at the start
 - e) Most risk is carried by employees, suppliers, customers

- 2) The High-Tech Myth: “Most successful entrepreneurs start their companies with
 - a) breakthrough invention, usually technological in nature.”
 - b) While many of us think of the technology boom and high tech start-ups, the Fortune 500 lists a variety of types of companies. Many successful new businesses found a way to market an existing product in a new fashion or to a new customer base (think of Starbucks). The key is having the right product at the right time.

- 3) The Expert Myth: “Most successful entrepreneurs have strong track records and years of experience in their industries.”
 - a) 40% of Inc. 500 founders had no prior industry experience;
 - b) One-third of Inc. 500 founders were out of work when they started their companies.

- c) Examples:
- a) Mendiburus brothers of High Point are self taught;
 - b) Steve Wozniak was an “undistinguished” engineer at HP;
 - c) John Fison, CEO of Keltec, an IT and eBusiness solutions company had no background in IT
- (Note: If students don't know who these people are, ask them to do some research and consider assigning a case study).
- 4) The Strategic Vision Myth: “Most successful entrepreneurs have a well developed business plan and have researched their ideas before taking action.”
- a) Only 4% of Inc. 500 companies used any sort of system research to develop their business ideas;
 - b) First attempt is often not the product that eventually brings success (but developing the entrepreneurial mindset at the beginning is the most important);
- 5) The Venture Capital Myth: “Most successful entrepreneurs start their companies with millions in venture capital to develop their idea, buy supplies and hire employees.” (Question for class research: what is venture capital?)
- a) Only 4% of Inc. 500 companies, and less than 1% of all start-up companies in the US, used venture capital;
 - b) Founders of Hotmail failed to secure venture capital despite more than 20 attempts;
 - c) Bill Gates and Paul Allen failed to receive venture capital for Microsoft; Venture capital is dominant in some industries, such as biotechnology.

Discussion:

- What do the myths, and the facts behind them, teach you about your own business plans?
- Are there other myths or stereotypes that you have heard of or thought about?
- Do you think myths like these might discourage some people from trying to start a business?
- Might this adversely affect minorities or women?
- Why or why not?
- Do you think you have what it takes to be an entrepreneur?



Activity 2.3: Interaction — Assessing And Strengthening Your Entrepreneurial Personality

Time: 20 minutes

Purpose: After performing an individual assessment of entrepreneurial traits and skills, discuss ways to identify weaknesses and develop leadership skills.

Materials Needed: Chalkboard, overhead slides, or flip chart.

Steps to cover:

- 1) Using the Session 2 slides, (Power Point presentation) introduce students to *Test Your Aptitude for Entrepreneurship*.
 - a) Ask students to write down their answers and then self-score after each answer is provided.
 - b) At the end, solicit feedback from the students on how well they performed.
 - c) What answers were surprising? Encouraging? Disappointing?
 - d) How do students plan to use this information?

- 2) There are many other on-line quizzes that the students can use to test their aptitude. Here are a few:
 - a) <http://www.onlinewbc.gov/docs/starting/test.html>
 - b) <http://www.bizmove.com/other/quiz.htm>
 - c) <http://www.humanmetrics.com/sbp/buspos.htm> (\$3 charge)

- 3) Poll the students about their results. Determine if you would like to hold a focus group about the validity of these types of tests. Did the students learn something new about themselves? Did the test help them focus on their strengths and weaknesses? What are the positive aspects of using these types of assessments? The negative aspects?

- 4) Review the participant handouts related to leadership with the students. Initiate a short group discussion. Alternatively, divide the students into groups to discuss the various guidelines and respond to the points below or others you have considered:
 - a) Remind students that the focus of the Aspira process is developing leadership skills and becoming a successful team player.
 - b) Would the students characterize any of the leadership guidelines as different from what they have discussed at other Aspira activities?
 - c) Encourage students to think about the first steps toward founding their own business. Which of this advice is the most important at the beginning? Which might be the most difficult to follow? What steps can be taken to follow the advice?

- d) Ask students to dedicate space in their journals this week to evaluating how they plan to follow the *Commandments of Leadership*. Remind them to keep reviewing these handouts as they progress through the business experience.
- e) Students should review the *Pillars of Leadership* handout. Facilitate a discussion about which pillar each student feels he or she best represents.
- f) Is it important to have different types of leaders on a business team? Why or why not?
- g) Ask students to remember each other's responses and consider them when forming business teams.



Activity 1.4: Class Discussion — Research, current events and case studies

Time: 25 minutes

Purpose: Solicit input from students on what they have observed about leadership and entrepreneurship over the past week.

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

Discussion Ideas:

During a typical *Aspira Business Club* session, a portion of the time should be dedicated to discussing current events. You may have elected to assign a topic based on an upcoming session, or may leave this session open to students' interests. You may wish you use this portion of class to assess the students' current knowledge and opinions about entrepreneurship and business practices in general. Using the feedback, consider ways to tailor the course further to students' interests.



Activity 1.5: 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 1.6: Planning Session (optional)

Time: 20 minutes

Purpose: Present research about course activities. Vote on activity preferences and schedule. Assign student sponsors for activities and other course logistics.

Materials Needed: Blank budget sheets and activity lists; calculators; chalkboard or flip chart.

Steps to Cover:

- 1) Ask students to share anecdotes about how they researched the cost of each activity during the past week;
- 2) Ask each student to report on the estimated cost of his or her assigned activity;
- 3) Encourage group participation to determine whether the cost estimate is accurate;
- 4) Record each activity and its associated cost on the board or flipchart.
- 5) Students should vote to rank each activity in terms of interest and cost feasibility.
- 6) Consider discussing possible dates for each activity;
- 7) Conduct extensive discussion, including voting, to determine which activities the course will participate in;
- 8) Determine the funding for additional line items, including snacks, books and supplies;
- 9) Encourage the students to come to a conclusion and vote to accept the budget;
- 10) Consider assigning overall budget mentors plus activity mentors to make sure that the plan is followed.
- 11) Congratulate students on accomplishing a challenging and complex task.



Activity 1.7: Assignments & Session 3 Preview

Time: 5 minutes

Purpose: Provide overview of next session's topic. Clarify time and meeting place of next activity. Assign background reading, journal entry and research topics.

Materials Needed: None

Steps to Cover:

- 1) Using the Objectives section of the Session 3 Facilitator's Guide, preview the topics that will be discussed during the next session.
- 2) Assign students a topic for next week's journal entry.
- 3) Assign the pages or chapters for the next session's book discussion.
- 4) 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:

Entrepreneurial Traits

- Vision! = awareness of problems and needs
- Ability to spot opportunities, trends
- Spirit of adventure;
- Strong need to achieve and seek personal accomplishment;
- Self confidence and self reliance;
- Trust in other people;
- Goal orientation;
- Innovativeness, creativity and versatility;
- Persistence;
- Demanding;
- Hard working and energetic;
- Competitive;
- Positive attitude;
- Strong sense of personal awareness;
- Willingness to take initiative;
- Strong sense of commitment;
- Ability to seek out and use feedback;
- Integrity and reliability;
- Patience;
- Ability to deal with failure;
- Leadership;
- Ability to inspire;
- Understanding of different cultures
- Others?

A.

B.

C.

Handout 2:

The 5 Myths About Entrepreneurs

(adapted from a presentation by Dr. Peter Strachan, University of Bristol, England)

- 1) **The Risk Taking Myth:** “Most successful entrepreneurs take wild, uncalculated risks in starting their companies.”
 - a) Why is this wrong?

- 2) **The High-Tech Myth:** “Most successful entrepreneurs start their companies with a breakthrough invention, usually technological in nature.”
 - a) Why is this wrong?

- 3) **The Expert Myth:** “Most successful entrepreneurs have strong track records and years of experience in their industries.”
 - a) Why is this wrong?

- 4) **The Strategic Vision Myth:** “Most successful entrepreneurs have a well developed business plan and have researched their ideas before taking action.”
 - a) Why is this wrong?

- 5) **The Venture Capital Myth:** “Most successful entrepreneurs start their companies with millions in venture capital to develop their idea, buy supplies and hire employees.”
 - a) Why is this wrong?

Handout 3:

The Ten Commitments of Leadership

(Kouzes & Posner)

1) Search out challenging opportunities to change, grow, innovate and improve

- Treat every job as an adventure
- Treat every new assignment as a start-over, even if it isn't
- Question the status quo
- Send people shopping for ideas
- Put idea gathering on your own agenda
- Go out and find something that needs fixing
- Assign people to the opportunities
- Renew your teams
- Add adventure and fun to everyone's work
- Take a class; learn a new skill

2) Experiment, take risks, and learn from the accompanying mistakes

- Set up little experiments
- Make it safe for others to experiment
- Work with ideas that sound strange initially
- Honor your risk takers
- Debrief every failure as well as every success
- Model risk taking
- Encourage possibility thinking
- Maximize opportunities for choice

3) Envision an uplifting and ennobling future

- Think first about your past
- Determine what you want
- Write an article about how you've made a difference
- Write a short vision statement
- Act on your intuition
- Test your assumptions
- Become a futurist
- Rehearse with visualizations and affirmations

4) Enlist others in a common vision by appealing to their values, interests, hopes and dreams

- Identify your followers
- Find the common ground
- Develop your interpersonal competence
- Breathe life into your vision
- Speak positively
- Speak from the heart
- Make the intangible tangible
- Listen first- and often

- 5) Foster collaboration by promoting cooperative goals and building trust**
 - Always say we
 - Increase interactions
 - Focus on gains, not losses
 - Make a list of alternative currencies (tangible and intangible resources)
 - Form planning and problem-solving partnerships
 - Assess how well the organization works together
 - Go first (show others that you trust them with important information about yourself, open up, and admit mistakes)

- 6) Strengthen people by giving power away, providing choice, developing competence, assigning critical tasks, and offering visible support**
 - Enlarge people's sphere of influence — assign non-routine jobs, let the employees show responsibility and leadership
 - Make sure delegated tasks are relevant
 - Educate, educate, educate
 - Make connections, form strategic relationships
 - Make heroes of other people

- 7) Set the example by behaving in ways that are consistent with shared values**
 - Take a look in the mirror (self knowledge)
 - Write your leadership credo including your personal values
 - Open a dialogue about personal and shared values
 - Trade places with co-workers
 - Be dramatic — go out of your way to get your point across

- 8) Achieve small wins that promote consistent progress and build commitment**
 - Take it personally
 - Make a plan

- 9) Recognize individual contributions to the success of every project**
 - Be creative about rewards and recognition and give them personally
 - Make recognition public
 - Provide feedback en route
 - Find people who are doing things right

- 10) Celebrate team accomplishments regularly**
 - Be a cheerleader
 - Have fun
 - Determine your social network and bolster it
 - Stay in love with your job

—Kouzes and Posner

Handout 4:

The Three Pillars of Leadership

Entrepreneurial leaders can fall under these three leadership styles

I. Visionary Evangelist

Persuades employees to work toward his/her vision of the future. Creates, sells, and drives the strategy of the organization. Serves as the spokesperson for the organization and demonstrates confidence in its potential for success. Takes charge, pushes for action and instills a sense of urgency to achieve the organization's goals.

- Very bright — get to core issues quickly
- Creative and visionary yet realistic and savvy
- Inspirational motivators
- Open to new ideas — will seek others advice before making a decision
- Learn from mistakes & failures
- Willing to take risks but also like to have a plan
- Make firm, clear cut decisions
- High level of drive & desire to achieve excellence
- Confident but understand their limits
- Enthusiastic & passionate — love their work & their product
- Can sell ideas, influence & negotiate
- Make good first impression
- Enjoy positions of influence

II. Team and Consensus Builder

Develops teamwork, commitment, alignment and employee motivation by involving, empowering and creating a positive work environment. Develops loyalty by investing in building relationships with others and by showing interest in employees needs, growth and career development. Is open to their ideas and willing to share power.

- Develop loyalty by showing interest, talking to people & investing in relationships
- Sociable, friendly, warm, supportive & approachable
- Read people & situations accurately — diplomatic, tactful & astute
- Persuasive — know how to influence and win others over to their side
- Put group interest ahead of self-interest
- Liberal with praise & encouragement
- Balance emphasis on people & results
- Trusted & credible — strong values, high integrity, conscientious
- Open & forthright — no hidden agendas
- Teambuilder — emphasize cooperation & alignment
- Empowering style

III. Manager of Execution

Provides organization, focus and clarity of direction to employees. Good administrator. Structured, disciplined, and skilled at setting short term targets and goals. Good at setting priorities and meeting commitments. Sets up systems and processes. Worries about the details. Monitors results versus plans and provides the rigor and control necessary to stay on course and correct for deviations from the plan. Gets results.

- Model hard work but not workaholic
- Succeed through steadiness and determination
- Disciplined & focused—clear goals & priorities
- Keep it simple
- Avoid perfectionism
- Keep others informed
- Prefer to set a course and stick with it but willing to be flexible
- Feel bound to meet commitments

Which are You?