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# The Entrepreneur Next Door



## FOCUS:

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### Overview:

This lesson is designed for students to understand that an entrepreneur can be a really famous and successful person or simply a neighbor who has started a business in order to make a living from a passion. Students first interview an entrepreneur as a group when one visits the class. Then they are assigned to find entrepreneurs in their neighborhood or among their friends to interview. Through this interviewing process students will understand the costs and benefits of entrepreneurship. The benefits must be greater for a person to continue functioning as an entrepreneur.

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### Objectives:

- Learn and discuss what makes someone an entrepreneur
- Define major characteristics that entrepreneurs exhibit
- Define what determines whether or not a person is an entrepreneur

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### Background Information:

An entrepreneur is a person who starts a new business venture. They have developed a talent for seeing opportunities and have the abilities to develop those opportunities into profit-making businesses. Entrepreneurs have to be persistent. They are faced with obstacles daily. They must be able to solve problems. They work long hours but feel great pride in their accomplishments. They are very creative in the way they solve problems. All of this is evident through the entrepreneur interviews.

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### Curriculum Multi-tasking:

- Economics
- Entrepreneurship
- Language Arts

## PREPARE:

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### Materials:

- Entrepreneur needed for a class interview
- Handout 4.1 – Entrepreneur Questionnaire to be used when the entrepreneur visits the class
- Handout 4.1 – Entrepreneur Questionnaire to be used for the individual entrepreneur interviews
- Handout 4.2 – Costs/Benefits Analysis

### **Construct:**

1. Locate a local entrepreneur that you can ask to come to your classroom to talk with your students. Your students and their families may prove to be valuable resources for this.
2. Contact the selected entrepreneur by phone or email to invite him/her to come to your class. Explain that you are studying entrepreneurship and provide the list of questions. Determine a good time for the visit. (Note: It is appropriate to share with your building administrator that the guest is visiting.)
3. Talk to your students about who is coming, what s/he does, and discuss the list of interview questions. Add to this list as you feel necessary.
4. Confirm the visit two days before. Offer any technology assistance or directions to the school.

## **TEACH:**

### **Introduction:**

Ask students to define entrepreneur and to provide examples. Ask if they know an entrepreneur. Discuss how a person becomes an entrepreneur? (Entrepreneur is the person who recognizes market opportunities and then combines the necessary resources to bring the product, good or service, to the marketplace.)

### **Activities:**

#### **Interview Preparation:**

1. Distribute entrepreneur questionnaire to students. Assign groups of students' responsible for covering each section of the interview form. This simplifies the questioning.
2. Explain that each student is responsible for answering all the questions during the interview process.

#### **Class Interview:**

1. Check for copies of the interview questions. Review appropriate manners for guest visits and remind students to ask questions rather than share their experiences.
2. Encourage the students to ask the entrepreneur questions that are on the interview sheet and any other questions they generate. By the end of the interview the questionnaire should be completed.
3. When the entrepreneur is finished, encourage the students show of appreciation. Also have students write thank you notes.
4. After the entrepreneur leaves, allow time for students to discuss with their groups and to complete the questionnaire.
5. A class discussion can help to fill in any information gaps and share the points of interest. Each business is unique so each discussion varies.
6. As a class, complete Handout 4.2 - Costs/Benefits analysis of being an entrepreneur using this specific business.



### **Individual Interview:**

1. Have students find an entrepreneur who is a relative, friend or neighbor and to conduct an individual interview. This will allow students to practice research and interviewing skills after their group practice in class. Limit the interview to 30 minutes.
2. Have students submit the interview form. Have a class discussion about the most interesting information and the commonalities of the interviews.

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### **Closure:**

Discuss the benefits of entrepreneurship and the costs. Ask students to share their desires to be an entrepreneur if they exist.

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### **Evaluation:**

#### **Performance Task:**

1. Complete a Costs/Benefits analysis for the entrepreneur interviewed by the individual students to see if they understand the evaluation technique.
2. Have students read the Dog Party USA Case Study in the appendix and complete the entrepreneur interview based on the case study.

## **CONNECT:**

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### **Technology:**

Visit [http://www.youngmoney.com/entrepreneur/student\\_entrepreneurs](http://www.youngmoney.com/entrepreneur/student_entrepreneurs) to read about business goals of young people and the real businesses they have created. Write a page summary of a youth business of interest to you. Discuss the obstacles cited and the reasons the business was of interest to you.

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### **Standards:**

#### **Standard 14: Profit and the Entrepreneur**

Entrepreneur is the person who recognizes market opportunities and then combines the necessary resources to bring the product, good or service, to the marketplace.

Grade 8- Benchmark 2: Entrepreneurs accept the potential risk of business failure because they hope to earn a profit on their investment.

Grade 8- Benchmark 3: Entrepreneurs and other sellers earn profit when buyers purchase the product they sell at prices high enough to cover the costs of production.

Grade 8- Benchmark 5: In addition to profits, entrepreneurs respond to other incentives including the opportunity to be their own boss, the chance to achieve recognition, and the satisfaction of creating new products or improving existing ones. In addition to financial losses, other disincentives to which entrepreneurs respond include the responsibility, long hours, and stress of running a business.

Grade 12- Benchmark 1: Entrepreneurial decisions affect job opportunities for other workers.



## Activity 1: Entrepreneur Questionnaire

**Business Name:** \_\_\_\_\_

**Owner:** \_\_\_\_\_

**Nature of Business:** \_\_\_\_\_

**Opening Date:** \_\_\_\_\_

**Interviewer:** \_\_\_\_\_

### Business Concept:

1. How did you get the idea to start your business?
2. How long have you been in business?
3. Describe the goods or services provided.
4. How do you make your products different from those of others?
5. Have you changed your product over time?
6. What is your legal form of business? (single proprietorship, partnership, or corporation)

### Market:

7. What is your target market?
8. Who are your competitors?

### Advertising:

9. How do you advertise your product?
10. What type of advertising has proven the most effective?
11. Have you tried any electronic advertising techniques? If so, how successful have they been?

### Challenges & Rewards of Ownership:

12. What obstacles have you overcome?
13. What are the rewards of owning your own business?
14. What background skills, knowledge and experiences help you in your business?

### Employees

15. How many employees do you have?
16. What skills do you look for in employees?

17. What other specialists do you utilize (interdependence)?
18. Do you have any incentive programs to promote employee retention?
19. What should students learn in school if they plan to be an entrepreneur?

### **Financing Your Business:**

20. How did you finance your business start-up and/or expansions?
21. Did you cash in personal savings or mortgage your home?
22. Did family members help to finance your business?

### **Global Interdependence:**

23. Do you buy products from or sell to other countries? If so, which ones?

### **Productivity:**

24. Are there ways you could use technology to improve your business?
25. What skills make your employees more productive?
26. Do you use capital tools that increase productivity?

### **Economic Conditions:**

27. What local or global economic conditions affect your business?

## Handout 4.2 – Costs/Benefits Analysis – Possible Answers

Use this chart to list and review the costs (things you give up) and benefits (things you gain) from starting and operating your own business.

<b>Costs</b>	<b>Benefits</b>
1) Time with family	1) Determine work schedule
2) Calm work environment	2) Sense of accomplishment
3) Normal work hours – 40 hour week	3) Pride in success
4) Boredom of job	4) Enjoyment of solving problems
5)	5) Passion for job

**Handout 4.2 – Costs/Benefits Analysis**

**Business:**

Use this chart to list and review the costs (things you give up) and benefits (things you gain) from starting and operating your own business based on the entrepreneur interview.

<b>Costs</b>	<b>Benefits</b>
1) Time with family	1) Determine work schedule
2)	2)
3)	3)
4)	4)
5)	5)
6)	6)
7)	7)
8)	8)
9)	9)
10)	10)