JOURNAL of ENTREPRENEURSHIP EDUCATION

An official Journal of the
Academy of Entrepreneurship ®

Edited by

Robin Anderson

University of Portland

The Academy of Entrepreneurship, Inc. is a non-profit corporation chartered under the laws of North Carolina and the United States. The Academy is an international association of scholars and practitioners whose purpose is to advance the knowledge, understanding, teaching and practice of entrepreneurship throughout the world.

The *Journal of Entrepreneurship Education* is published by the Academy of Entrepreneurship ®, PO Box 2689, 145 Travis Road, Cullowhee, NC 28723, USA, (828) 293-9151, FAX (828) 293-9407. Those interested in subscribing to the *Journal,* advertising in the *Journal,* or otherwise communicating with the *Journal,* should contact the publishers at that address. Those interested in submitting manuscripts to the *Journal* should contact the Editor, Robin Anderson, College of Business, University of Portland, Franz Chair in Entrepreneurship, University of Portland, School of Business, 5000 North Williamette Boulevard, Portland, OR, USA 97203 Phone: 503-283-7224; Fax 503-978-804.

PRACTITIONER EDITORIAL BOARD MEMBERS

ACADEMIC EDITORIAL BOARD MEMBERS

LETTER FROM THE EDITOR

The Journal of Entrepreneurship Education is dedicated to the study, research and dissemination of information pertinent to improvement of methodologies and effectiveness of entrepreneurship education, including those principles of the free enterprise system necessary for the moral practice of entrepreneurship. The editorial board of *JEE* is comprised of both academic scholars and CEOs of many of America's best businesses. This bridging of theoretical excellence and applied excellence will result in a compilation of meaningful knowledge which will lead to excellence in entrepreneurship education.

The editorial board considers three types of manuscripts. First is empirical research which examines the many facets of entrepreneurism and which expands the body of knowledge of entrepreneurship education. Second, case studies that have a demonstrated effectiveness and bring new perspectives to entrepreneurship education are considered. Third, manuscripts which document successful applied innovations in entrepreneurship education are solicited. Included in each issue of *JEE* are the first place awarded winning educational activities selected from submissions from Students in Free Enterprise Sam M. Walton Fellows at the 660 universities with SIFE teams. These educational projects are blind reviewed by editorial board members with only the top programs in each category selected for publication, with an acceptance rate of less than 5%.

A special thank you goes to Students in Free Enterprise for the funding of ***The Journal of Entrepreneurship Education***. SIFE's mission is to provide college students the best opportunity to make a difference and to develop leadership, teamwork and communication skills through learning, practicing and teaching the principles of free enterprise. ***The Journal of Entrepreneurship Education*** is a component of the realization of that mission.

If you, as a professor, are interested in becoming a SIFE Sam M.Walton Free Enterprise Fellow or if your university does not have a SIFE team, you can learn more about SIFE at www.sife.org. Currently, I am directing the SIFE operations outside of the United States, with new national organizations in nearly 20 countries. SIFE is an excellent pathway for international research, faculty and/or university linkages and interactive student learning activities. In the next five years, we project more than 1,000 universities outside of the United States will have SIFE teams. Please contact me with any questions or comments about SIFE Global.

We are actively soliciting papers for the next issue of ***The Journal of Entrepreneurship Education*** and encourage you to submit your paper to:

Dr. Robin Anderson
Robert W. Franz Chair in Entrepreneurship
University of Portland
5000 North Willamette Blvd.
Portland, OR 97203
Ph: (503) 943-7155
Fax: (503) 943-7728
Email: sifeglobal@sife.org

JOURNAL OF ENTREPRENEURSHIP EDUCATION

DIVISIONS

JOURNAL OF ENTREPRENEURSHIP EDUCATION

CONTENTS

THEORETICAL AND EMPIRICAL MANUSCRIPTS

Manuscripts which appear in this section of the *Journal of Entrepreneurship Education* represent literature extensions. The Editorial Board judges such manuscripts on their ability to advance the entrepreneurship education literature from a theoretical and/or empirical perspective.

Developing Entrepreneurship: The Role of Industrial Organization written by Mary Allender of the University of Portland provides a discussion of industrial organization and its usefulness to entrepreneurs. Specifically, this paper shows that the analysis provided by industrial organization is crucial to the entrepreneur in terms of assessing opportunities for new ventures and writing a successful business plan.

In the Pursuit of Conative Constructs into Entrepreneurship Education is a theoretical treatise by Pekka Ruohotie, University of Tampere and Matti Koiranen, University of Jyvaskyla of Finland. The purpose of their article is threefold. First, they present a taxonomy of those elements that are important to human personality and intelligence. Second, they discuss these elements in the context of entrepreneurship and entrepreneurship education, and lastly they add conative constructs more specifically to their description of entrepreneurship education.

An interesting article was written by Robert Birney of Alverno College describing *Global Market Entry Strategies for Free Enterprise and Entrepreneurship Education Organizations.* The article presents critical questions of where and how to enter and grow in global markets for entrepreneurship education organizations. It looks at unique factors influencing their motivation and interests to enter new markets; essential factors and variables used in decision making; and the advantages and disadvantages of global market entry strategies. The discussion focuses on the interests of private non-profit entrepreneurship education organizations.

The Changing Perspective of Entrepreneurial Thinking: Opinions and Recommendations of Human Resource Managers by Calvin Shipley and James Tatum, both of Henderson State University is a paper whose purpose is to prepare business graduates to function successfully in the new entrepreneurial environment. This requires that they develop skills in entrepreneurial thinking including being innovative, proactively searching for opportunities, looking beyond the usual or customary solutions to problems, seeking potentially profitable risks and being willing to change.

Team Journal Writing in The Entrepreneurship Curriculum by Peter H. Hackbert of California State University Monterey Bay concerns the educational value of engaging entrepreneurship learners in journal writing, a form of writing to learn.

Journal writing has the potential to contribute to entrepreneurship by improving learners' written communication skills and encouraging critical and independent thinking. A journal-writing process designed for the entrepreneurship class is presented and recommendations are given for classroom events, assessment, procedures and design, saving instructor's time, and improving student learning and participation.

DEVELOPING ENTREPRENEURSHIP: THE ROLE OF INDUSTRIAL ORGANIZATION

Mary Allender, University of Portland

ABSTRACT

This paper provides a discussion of industrial organization and its usefulness to entrepreneurs. Specifically, this paper shows that the analysis provided by industrial organization is crucial to the entrepreneur in terms of assessing opportunities for new ventures (Timmons, 1999) and writing a successful business plan (Kuratko, 1998; Hills, 1985; Sahlman, 1997).

The paper proceeds in two sections. First, the subject of industrial organization is defined and discussed in its application to successful entrepreneurship. The second section of the paper looks at two strategy topics relevant to the entrepreneur that are treated extensively in industrial organization. First, the paper looks at how the entrepreneur might consider his initial demand structure and pricing to enter the market. Second, the paper looks at economies of scale as a common barrier to entry in industries. This analysis examines these two strategy topics as examples of how the field of industrial organization is particularly useful for the study of entrepreneurship.

INTRODUCTION

Much of the popular and academic literature on entrepreneurship and its application tends to focus on the financial and accounting pre-requisites of starting a business or the marketing savvy demonstrated by successful entrepreneurs. While the broader aspects of market analysis critical to entrepreneurial success are covered extensively in the field of entrepreneurship, the field of industrial organization can offer an additional dimension.

The entrepreneur occupies a unique position in an industry. The new venture is an entrant that most often introduces a new idea or technology to the industry. In that way, the entrepreneur acts as an agent of growth and development for the industry. Historically, entrepreneurs have been crucial to the process of industrialization and economic growth. At the same time the entrepreneur is also a competitor and has to deal with the threats posed by rivals. In terms of assessing market opportunities and planning, the entrepreneur must be able to evaluate itself as an entrant and as a competitor in the industry. Industrial organization addresses these topics as well as other issues of business strategy and can therefore provide useful analytical tools to the entrepreneur.

This paper provides a discussion of industrial organization and its usefulness to entrepreneurs. Specifically, this paper shows that the analysis provided by industrial organization is crucial to the entrepreneur in terms of assessing opportunities for new ventures (Timmons, 1999) and writing a successful business plan (Kuratko, 1998; Hills, 1985; Sahlman, 1997).

The paper proceeds in two sections. First, the subject of industrial organization is defined and discussed in its application to successful entrepreneurship. The second section of the paper looks at two strategy topics relevant to the entrepreneur that are treated extensively in industrial organization. First, the paper looks at how the entrepreneur might consider his initial demand structure and pricing to enter the market. Second, the paper looks at economies of scale as a common barrier to entry in industries. This analysis examines these two strategy topics as examples of how the field of industrial organization is particularly useful for the study of entrepreneurship.

INDUSTRIAL ORGANIZATION AND ITS APPLICATION TO ENTREPRENEURSHIP

Industrial organization is a sub-field of economics that is based on the microeconomic theory of the firm. Developed during the early part of the 20th century, industrial organization sought to answer empirical questions about how the organization of industry affects how industries work. One branch of industrial organization has taken a decidedly abstract direction. Other branches consider the organization of industry and the strategies of firms within the industry and often include an empirical dimension (Porter, 1985). It is this area of study within industrial organization that forms much of the basis for business strategy developed by management consultancies and the planning units within businesses. Public policy toward business is derived to a significant extent from the conclusions drawn from industrial organization about the relationship between the organization of industry and market outcomes in terms of consumer welfare. This includes regulation of business as well as antitrust policy.

The basic unit of analysis in industrial organization is the firm and its position in the industry. Industry is modeled generically in what is known as the structure-conduct-performance paradigm. This analytical tool positions the individual firm within the overall organization of the industry. Exhibit 1 outlines the basic structure-conduct-performance paradigm (Jensen and Waldman, 1998).

This model is clearly useful from the perspective of the entrepreneur. In the structure-conduct-performance model, the entrepreneur is positioned as a new or potential entrant facing usually larger established competitors. He seeks to answer questions about his market environment in order to become a successful competitor. For example, consider demand as a basic market condition depicted in exhibit 1. The entrepreneur is certainly interested in information about market demand in order to assess its own probability of success. The tools used in industrial organization can help the entrepreneur assess empirically information about how responsive consumers are to changes in price and how much the market is growing.

Barriers to entry are another variable important to the entrepreneur. As depicted in exhibit 1, entry barriers are considered a basic element of the market structure surrounding the firm and are treated at length in industrial organization. The entrepreneur must evaluate the difficulty of entering a particular industry. Indeed, the height of entry barriers will to a large extent determine which industries the entrepreneur can consider entering.

Exhibit 1 identifies another important dimension of industry as market conduct. This dimension encompasses the myriad pricing and non-price strategy issues facing the entrepreneur.

Any new firm has to consider carefully its initial pricing strategy as well as non-price strategies such as advertising. Finally, the category in market analysis known as market performance gives an observer, usually a policy maker, the tools for analyzing the industry in terms of the degree to which it meets or doesn't meet consumer welfare criteria. While guiding public policy toward business, these principles also serve to inform firms in the industry about their responsibility toward consumers.

EXHIBIT 1 Basic Market Conditions	
Demand Conditions	**Supply Conditions**
Price elasticity Market growth	Technology Factor prices

Market Structure
Number of firms Market shares Concentration Entry barriers
Market Conduct
Price Strategies Non-price strategies
Market Performance
Allocative efficiency Productive efficiency Technological advancement

AN INDUSTRIAL ORGANIZATION APPLICATION OF TWO STRATEGY ISSUES FACING THE ENTREPRENEUR

Pricing to Enter the Market

One of the most important issues facing an entrepreneur as an entrant into a new industry is what price to charge. The entrepreneur will face competition from an array of rivals producing a variety of substitutes for its offering. The analyses used in industrial organization provide direction in making a strategic determination regarding the optimal price to charge upon entry.

The entrepreneur will have concrete information on its own cost structure and the market price charged by established competitors. This information helps the firm estimate a likely demand function for itself as well as potentially profitable pricing options. Exhibit 2 illustrates this idea.

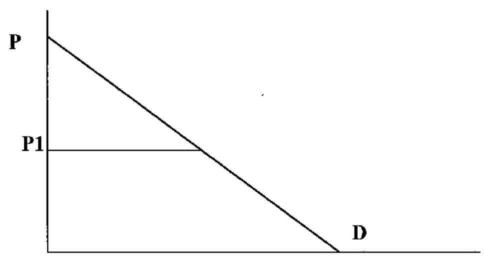

Exhibit 2

The function D represents the market demand curve where p1 is a composite price representing the price charged by the set of established firms. This price bisects the demand curve into two portions. The portion above p1 consists of consumers willing to pay p1 or higher and are thus currently served by firms already in the market. The portion below p consists of consumers that are not willing to pay the market price of p1 and are therefore available to the entrepreneur. As the market price p varies up or down, the entrepreneur can potentially claim more or less of the market. Depending on the entrepreneur's costs, it can set a price at or below p1 and be assured of a customer base that will allow it to gain initial entry into the industry.

Corollary 1: If the market is growing, the entrepreneur will acquire a larger initial customer base given its own costs and the market price. This may be due to an increase in overall market demand or the success of the entrepreneur in growing his business. Either way, his demand function is shifting right. This is one of the factors that encourages entrepreneurship and entering new markets. For example, the gourmet segment of the ice-cream industry has been growing for several years, resulting in the entry of many small, regional companies making gourmet ice cream. Given market price, growth in market demand will afford the entrepreneur a more profitable entry opportunity.

Corollary 2: If the entrepreneur is successful in its marketing efforts, he will acquire a larger share of the market, given market price and market growth. A successful marketing campaign means that the entrepreneur will experience a rightward shift in demand. Thus, such a marketing effort can compliment the entry price strategy.

Entry Volume and Economics of Scale

Another strategic issue an entrepreneur must consider is that of what volume to produce upon entry. Sometimes, this entry volume is determined entirely by demand. The entrepreneur estimates what demand might be and simply produces that amount. For example, most anyone can brew beer in their garage, sell a few bottles, and call it a microbrewery. In other cases, however, technology plays a role in the optimal output to produce. Technology in terms of how inputs work together in an engineering sense, determine the extent to which costs decline as output expands. This is commonly referred to as economies of scale. Q1 depicts minimum efficient output which is the level of output the firm much produce in order to realize economies of scale. In other words, if fixed costs are a high and binding constraint on production, the entrepreneur will have to produce at a larger volume in order to achieve lowest cost output. Exhibit 3 illustrates this idea.

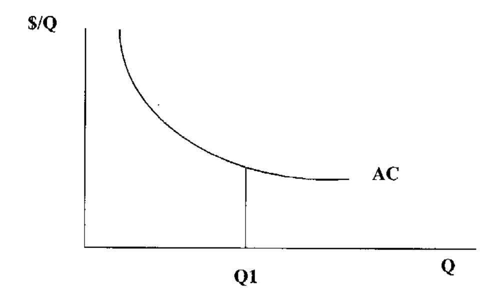

Exhibit 3

AC represents the entrepreneur's costs per unit as a function of output, Q. The question is how large is Q1 relative to the size of any demand an entering entrepreneur might hope to get? Q1 is largely determined by technology and if it is relatively large, then the entrepreneur will have a difficult time entering the industry. Another perspective on this issue is to see technology in the form of economies of scale as a potential deterrent to the entrepreneur. A large minimum efficient output level, Q, will act as a barrier to entry to the entrepreneur. Thus, an understanding of how technology influences market size is important for the entrepreneur to consider when assessing opportunities (Timmons, 1999).

Corollary: Growth in market demand will offset the entry deterrent effect of large efficient volume such as Q illustrates in Exhibit 3. Given the volume of minimum efficient output, market growth will cause this volume to diminish as a percentage of total industry output. Thus, the entrepreneur as a small entrant will be at less of a market disadvantage than would otherwise be the case.

CONCLUSION

In the industry paradigm provided by industrial organization, the entrepreneur is an entrant who creates or adds a unique dimension to the industry. The entrepreneur is also a competitor in the industry and as such, must formulate evolving strategies to effectively deal with the threat posed by rivals.

This paper demonstrates how the field of industrial organization can develop a framework for analyzing the particular strategy problems facing the entrepreneur. Two examples of such problems are illustrated here as the entrepreneur's decision regarding pricing to enter the market and the efficient volume at which to enter the market. Myriad other examples exist to highlight the important role that industrial organization plays in understanding the market strategy issues facing the entrepreneur. All entrepreneurs bring a passion to the industry they enter. They are the power behind any successful capitalist economy. The field of industrial organization can aid us in understanding successful entrepreneurship. From writing the business plan to growing the business, understanding the market through the lens provided by industrial organization can be a helpful benchmark for the entrepreneur.

REFERENCES

Fry, F. & Stoner, C. (1985). Business Plans: Two major types. *Journal of Small Business Management*, January: 1-6.

Hills, G. (1985). Market analysis in the business plan: Venture capitalists' perceptions. *Journal of Small Business Management,* January: 38-46.

Hills, G. (1997). *Market opportunities and marketing*. Ch 4, The Portable MBA. Wiley.

Jensen, E. & Waldman, D. (1998). *Industrial organization: Theory and practice*. Addison Wesley.

Kuratko, D. & Hodgetts, R. (1998). *Entrepreneurship: A contemporary approach*. Fort Worth: Dryden.

Naffziger, D. & Kuratko, D. (1991). An investigation into the prevalence of planning in small business. *Journal of Business and Entrepreneurship*, Fall: 99-110.

Porter, M. (1985). *Competitive Advantage*. New York: Free Press.

Sahlman, W. How to write a great business plan (1997). *Harvard Business Review,* July/August.

Timmons, J. (1999). *New venture creation: Entrepreneurship for the 21st century*, (5th ed.), Chicago, IL: Richard D. Irwin.

IN THE PURSUIT OF CONATIVE CONSTRUCTS INTO ENTREPRENEURSHIP EDUCATION

Pekka Ruohotie, University of Tampere
Matti Koiranen, University of Jyvaskyla

ABSTRACT

The purpose of this article is threefold. First, we will present a taxonomy of those elements that are important to human personality and intelligence. Second, we will discuss these elements in the context of entrepreneurship and entrepreneurship education. Third, we will add conative constructs more specifically to our description of entrepreneurship education.

INTRODUCTION

The inter-related roles of personality and intelligence in entrepreneurial education and research has been an important and perplexing issue for many years. Whether we are discussing formally planned and organized entrepreneurship education or the learning which takes place in everyday life, the motivational and volitional processes of the learner, or the interaction between the learner and her/his environment, they play a central role in the development of knowledge and skills (Ruohotie, 1999; 2000).

Entrepreneurship is neither a profession nor a career. For the purposes of the present article we define "entrepreneurship as a cognitive, affective, and conative process intended to increase value through creation, revitalization and/or growth." An entrepreneurial person takes responsibility for her/his own future in order to create the reality that s/he desires. In this process, learning leads to development. 'Upbringing' is still an appropriate term to describe the education of an entrepreneur during the formative years, and it is particularly appropriate to describe the transfer of knowledge and skills from the older generation to the succeeding generation in the context of a family business (Koiranen, 1999).

However, while knowledge and skills are important, they are not sufficient. In order to understand differences in learning styles and rates it is important to differentiate between cognitive, affective and conative constructs (Snow et a1., 1996). Among the most interesting and potentially useful of these constructs are those reflecting motivational and volitional aspects of human behavior; that is, conative constructs.

Cognition is a general term for those processes that help an organism to recognize and obtain information about a certain object. Cognitive constructs include the following concepts: perceiving, recognizing, conceiving, judging and reasoning. Affection is the feeling response to a certain object or idea. Sometimes it also means the energy resulting from an emotion or a general reaction to something that one likes or dislikes. Affective constructs include feeling, emotion, mood, and temperament. Conation refers to those mental processes which help an organism to develop. It is a kind of intrinsic unrest (the opposite of intrinsic balance, or homeostasis) or a conscious tendency to act or strive for something. Conative constructs include impulse, desire, volition, and purposive striving. (Ruohotie, 2000).

The purpose of this article is threefold. First, we will present a taxonomy of those elements that are important to human personality and intelligence. Second, we will discuss these elements in the context of entrepreneurship and entrepreneurship education. Third, we will add conative constructs more specifically to our description of entrepreneurship education.

It is necessary to first introduce a conceptual taxonomy of key affective, conative and cognitive constructs. Bearing in mind the definition of entrepreneurship suggested earlier, this taxonomy of individual difference constructs (Figure 1) has a lot to offer. (A 'construct' in this context is taken to mean an hypothesized psychological state; in other words, an inferred system, structure, process, force or activity which is seen in the regular patterns of observed relations of behavioral measures.)

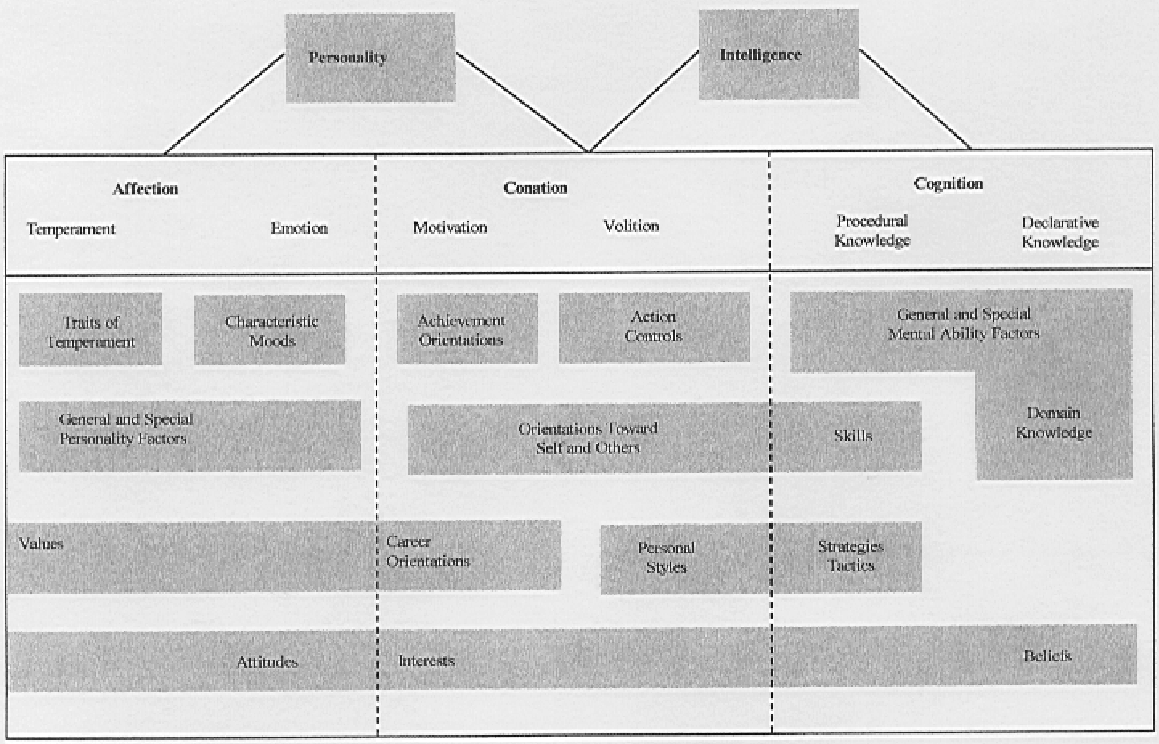

Figure 1. *Taxonomy of Individual Difference Constructs*
(Snow, Corno & Jackson 1996, p. 247)

AFFECTIVE, COGNITIVE AND CONATIVE CONSTRUCTS

Personality and intelligence can be found at the top of the taxonomy. These are very broad terms which are difficult to define. Personality is rarely limited to just personal characteristics, temperament or emotions. Many personality traits are also linked to cognitive factors. Distinguishing between cognitive and non-cognitive constructs does not mean that cognitive factors have no effect on personality (Messick, l996.) As Statt (1990) points out, it is important that we bear in mind the integrated and dynamic nature of personality and all the subconscious processes linked to it. In general, personality means all those factors which distinguish a person as an individual human being.

Some theories describe entrepreneurship using the personality-based notion of marginality. This has, for example, been applied to the analysis of "rags to riches" success stories and survival stories of entrepreneurial ethnic minorities in a foreign environment. Many personality-based theories, such as trait theories, have been developed. Innovativeness has been studied, for example, by Kets de Vries (1977), Drucker (1985), and Bird (1989). Risk taking propensity was the focus for Brockhaus (1980; 1982), Ray (1986), Masters & Meier (1988), Unni (1990), Sexton & Bowman-Upton (1991), Delmar (1994), and Koiranen et al. (1996).

The widely-known Carland Index (Carland et al., 1992) nicely aggregates four key elements of entrepreneurship: personality, innovativeness, risk taking propensity, and strategic posture. Some of these dimensions were already represented in the famous Jackson Personality Inventory as early as the 1970s (Jackson, 1976).

Unfortunately, the outcomes of studies based on personality traits are far from identical or even parallel. On the contrary, they are quite highly varied. Some frustrated scholars have even suggested that all personality trait theories should be rejected because they are so contradictory. Despite this acknowledged problem with understandings of personality, however, we will try to apply the taxonomy in Figure 1 to entrepreneurship and entrepreneurship education.

Intelligence is also a challenging conceptual construct. It means, firstly, the ability to undertake activities, which are difficult, complex, abstract, demanding, goal-oriented, socially prestigious and original; and, secondly, the ability to accomplish these activities in situations which demand concentration and the control of one's emotions (see Barrow & Milburn, 1990). We regard as 'intelligent' a person who can think and/or act in a clever way in demanding matters and who discovers and grasps quickly new things and possibilities. It is easy to see, how important the conative and cognitive constructs underlying our concept of intelligence are for both an entrepreneur and an intrapreneur. This too, however, is a concept which has been the subject of much debate and research. Like personality, it must be discussed and used carefully.

To deepen the analysis, the concepts at the next level that is, affection, conation and cognition can each be divided into subconcepts: temperament, emotion, motivation, volition, procedural knowledge, declarative knowledge. Arrayed beneath these major organizers are a variety of other familiar factors which constitute them. The term "characteristic mood" is, perhaps, the only one which may be unfamiliar. This term was chosen over "affects" or "feelings" because it implies a relatively stable state. It is also important to note that some factors are associated with more than one of the major sub-constructs. For example, values and attitudes are related to both temperament and emotion categories, although the connection of values with temperament is more direct than with emotion, and the reverse is true for attitudes.

In some cases, the distinctions are not absolute. For example, cognitive theories generally make a distinction between declarative and procedural knowledge. Declarative knowledge can be thought of as a knowledge network in which concepts and facts are linked together. New knowledge develops as a result of a process of construction; in other words, organizing the interdependencies of different pieces of distinct knowledge. Procedural knowledge can be thought of as a set of rules or a recipe which helps in remembering and applying knowledge. This combines aspects of both knowledge and skill. Knowledge cannot be used in practice without skill, and even a modest skill presupposes some knowledge. It is also possible to discern schematic knowledge which has a significant role, for example, when identifying the structure of a task as well as strategic knowledge which has an impact on the structure of the plan of action. Similarly, we often differentiate between knowledge and skills even though, for example, the development of verbal, spatial and mathematical skills presupposes an increase of both skills and knowledge. Despite these conventional distinctions, it is clear that both entrepreneurs and intrapreneurs use an interdependent combination of declarative knowledge and procedural knowledge. They need a strong base of relevant domain knowledge, but they cannot use that knowledge in practice without skills and strategies.

A similar issue arises on the other side of the taxonomy where affection is divided into temperament and emotion even though personality factor interpretations rely on parts of both. Temperament refers to biological traits, which are hardly dependent on situational factors, whereas an emotion may be strongly linked to a given situation. Thus, although distinct categories are shown, they are strongly related.

So far, the "skill" factor has dominated our discussion, both in theory and in practice. However, the taxonomy shows that there is also an essential "will" factor. This generally receives much less attention in intrapreneurship and entrepreneurship education. In our opinion, this is an error. It is time to reconsider the whole paradigm of entrepreneurship education and make it more complete and balanced by giving conative constructs of learning the equal status they deserve.

The conative constructs of learning which include motivation and volitional aspects of human behavior were neither comprehensively studied nor broadly appreciated until the 1980s (see e.g., Snow & Farr, 1987). However, they are of vital importance for both learning and entrepreneurship (Ruohotie, 2000; Koiranen & Peltonen, 1995). The motivational structures of conation include, among others, internal and external goal-orientation, fear of failure, need for achievement, self-esteem, belief in one's own abilities and possibilities (efficacy beliefs), value of incentive (valence), and different attribution interpretations (Ruohotie, 1994; 1996; 2000). Volitional structures include, among others, persistence, will to learn, endeavour or effort, mindfulness in learning, intrinsic regulation and evaluation processes, as well as different control strategies (such as: allocation and control of resources, emotional attentiveness, motivational control strategies etc.) and the styles of processing knowledge. Koiranen (1993) discovered that one's concern about a lack of skills was a much smaller personal obstacle for starting up one's own business than were the lack of courage or the fear of failure.

Motivation and volition are at the core of the conative structure. Academic experts who have been exceptionally insightful and productive in this domain have been Corno, Snow, Farr and Jackson (see Snow & Farr, 1987; Snow & Jackson, l987; Snow & Corno & Jackson, 1996).

Certain constructs of the taxonomy, such as characteristics, styles, abilities, strategies, orientations and so on, directly affect learning, and they can also be understood to be learning objectives in themselves. When a person learns entrepreneurship, changes take place not only in her/his knowledge constructs but also in metacognitive skills, motivation, belief, self-esteem etc. Learning experiences accumulate and the learner adopts styles, strategies and techniques that match with her/his learning styles. An intrapreneur (being employed by someone else and building a professional career at the same time) aims to develop those styles, values, beliefs, abilities and knowledge that are necessary and appreciated in that job or branch (Ruohotie, 2000), whereas an entrepreneur pursues her/his dream or vision by establishing a company and running it her/himself.

The connections between affective, conative and cognitive structures are extremely complex. A distinction can be made between two personality factors: achievement via independence and achievement via conformance. Independence is emphasized in situations which require and reward self-initiative. A typical achievement-via-independence person is mature, forceful, demanding, independent, and self-reliant. Achievement via conformance, on the other hand, is governed by tasks and situations that are well-defined and externally structured. Achievement-via-conformance individuals are typically capable, co-operative, organized, responsible, persistent, industrious, etc.

An achievement-via-conformance person, who is usually also sociable and extroverted, looks for social relationships. An achievement-via-independence person, who usually has strong self-control mechanisms and strong need for achievement, pursues independent tasks and can even be antisocial. The difference is in the motivational base (Spangler, 1992). "Conformists" are more dependent on social incentive and "Independents" value more task-related incentives. The contrast between task and social orientation should be further studied. In education, either individual work or group work can be unfairly emphasized. In the past few years, the emphasis has been on cooperative learning in small groups. Similarly, in entrepreneurial studies more attention has recently been paid to entrepreneurial teams instead of entrepreneurial individuals, which has traditionally been the main approach.

Although the constructs in the taxonomy can be distinguished in theory, it is impossible to keep these differences 'pure' when doing research. For example, many personality concepts such as self-esteem, anxiety, flexibility and authoritarianism can often be measured with attitudinal and belief structures. Objects of interest can be understood as a positive attitude which has developed into a preference for certain tasks and intentions. On the other hand, negative attitudes are hard to associate with interest. A lack of interest might lure action away from the attitude object, or cause the learner to become bored quickly.

Let us return now to the connection between these constructs and entrepreneurship. Huuskonen (1992) suggests that inner growth to entrepreneurship means a stepwise learning and selection process. A lack of interest can easily lead to a decision to give up during the pre-start-up phase. "Independents" and "Conformists" can sometimes be found in different types of entrepreneurial ventures. A pioneering entrepreneur may be closer to individualistic and independent, whereas, for example, the franchisee entrepreneur is more often a conformist. Ideally, however, an entrepreneur would be "an independent conformist". S/he would be both forceful, demanding, self-reliant and independent and at the same time capable, cooperative, organized, responsible, persistent, industrious etc. It is not either-or, but both-and. S/he should be proactive rather than reactive, and at the same time flexible and adaptive. Being proactive (rather than reactive) paradoxically means less risk from unanticipated events.

It is also important to note that beliefs are not purely cognitive since they have their roots inaffection. In the past few years, there has been much interest in the volitional aspects of beliefs; in other words, the connections between beliefs and intentions/actions. The perception of the connections between affection, cognition, and conation has led to the application of curiosity, imagination, challenges and other motivational devices in teaching. Should we not also use them more effectively in entrepreneurship education?

Finally, placing affective and conative structures into different belief systems is a new way to approach the study of the teacher-learner interaction as well as the study of learning and conceptual development. For example, Pintrich, Marx and Boyle (1993) classify beliefs into goal beliefs (e.g. intrinsic and extrinsic orientations), value beliefs (e.g. intrinsic interests, instrumental value), self-efficacy beliefs (e.g. perceived abilities, confidence), and control beliefs (e.g. perceived internal vs. external control, outcome expectancies). We argue that this new perception increases considerably our understanding of the connections between these concepts and conceptual change. Entrepreneurs do have these beliefs. An example of goal beliefs would be an orientation to enlarge the company or a belief in the importance of becoming wealthy. A value belief would be, for example, the desire to challenge one's own limits or a commitment to ensuring that new ideas are developed to the point that they become commercially viable. A self-efficacy belief would be, for example, strong self-esteem, confidence in being successful and so forth. Finally, a control belief would be, for example, an entrepreneur's optimistic view that the operating profit of the company will be sufficient to cover further investments a few years of start-up.

MOTIVATION AND VIOLATION AND THEIR IMPORTANCE FOR ENTREPRENEURSHIP

In everyday language we may use the words 'motivation,' 'will,' and 'volition' loosely and often carelessly. We also frequently speak about entrepreneurial motivation and entrepreneurial will without making any significant distinction between the two expressions. Normally, this does not cause any harm but a sophisticated understanding of the conduct and education of entrepreneurs requires us to take more care.

The action-control theory of Heckenhausen and Kuhl (1985), for example, distinguishes between intentional and motivational states. The pre-decisional state is called 'motivation' and the post-decisional state is called 'volition.' The decisions to pursue a certain goal are volitional processes and are preceded by a motivational state. According to Corno (1989), motivational processes help to formulate decisions and promote decision-making, where as volitional processes guide the enactment and realization of the decision.

As applied to entrepreneurship, this theory suggests that before the start-up decision one must have an entrepreneurial motivation. Once the decision has been made, the "will" factor, or the volition, is of paramount importance. The many large and small issues which are faced in the course of building the enterprise involve their own cycles of motivation and volition. With reference to education, distinguishing between motivation and volition is necessary because even highly motivated students may have problems in setting clear goals and enacting their intentions. They may be distracted by wandering thoughts or general exigencies. Motivation and volition being distinct, a high level of motivation is not necessarily sufficient to guarantee success in learning any more than in business. People have the ability to introspectively reflect their own actions. In other words they are self-assertive. They are also able to regulate their own actions and make willful decisions. This control over free will, which is called self-regulation, is directed by goals. By using her/his will, a person can enact self-motivation strategies or control distracting feelings, such as inadequacy or helplessness (see more in Weiner, l990; Corno, 1993).

However, there is no free will over what one thinks about, only how much s/he thinks about the subject at hand (quantity) and the intensity or nature of her/his thoughts (quality). What one thinks about something depends on interest, values, previous knowledge, the surrounding environment and previous life history. This notion of 'free will,' based on learning theories, has an interesting analogy with entrepreneurship. To a great extent 'free will' parallels the notion of 'entrepreneurial freedom.' Culturally, the people of western economies have for many centuries jealously guarded their constitutional right to 'free enterprise.'

Free will and the thought processes associated with self-regulation are related to and affected by the social environment where people live and work. Rand comments that, "a social environment can neither force a man to think nor prevent him from thinking. But a social environment can offer incentives or impediments; it can make the exercise of one's rational faculty easier or harder; it can encourage thinking and penalize evasion or vice versa." (Rand, 1988, 102).

The notion of self-direction and the mitigating effects of social environment are very relevant to entrepreneurship and intrapreneurship. Entrepreneurs and intrapreneurs are often self-directed decision makers, risk takers and people who actively seek responsibility. As Huuskonen (1992) has written, social environment can have a major influence on the way in which people make decisions related to the start-up of new companies. Furthermore, some people are more prone to team entrepreneurship or team intrapreneurship, while others are more independent in their behaviour and decision-making. The influence of social relations is particularly noticeable within the context of co-entrepreneurial couples and family businesses.

ENTREPRENEURSHIP AND LEARNING REVISITED: THE DYNAMIC CYCLES OF VIOLATION AND MOTIVATION

We are now approaching the main point of this article. So far we have shown that the taxonomy of individual difference constructs can illuminate the processes of entrepreneurship and entrepreneurship education. In order to go one step further, we turn once more to Snow, Corno and Jackson (1996), adopting their idea of dynamic circles of volition and motivation (Figure 2). They have demonstrated that conation (i.e. volition and motivation) can be modelled by using various dynamic circles. In their detailed article, they connect volitional constructs/processes, motivational factors, and learning outcomes/results. These connections are significantly affected by context

(Corno, 1993). One cannot assume that all learners function either deliberately or methodically, or that different processes/constructs affect everyone in the same way. Volition and motivation are dependent on the learning task and on such individual traits as cognitive-intellectual ability and personal experiences such the way in which prior learning has been reinforced. (see, for example, Eisenberger, 1992)

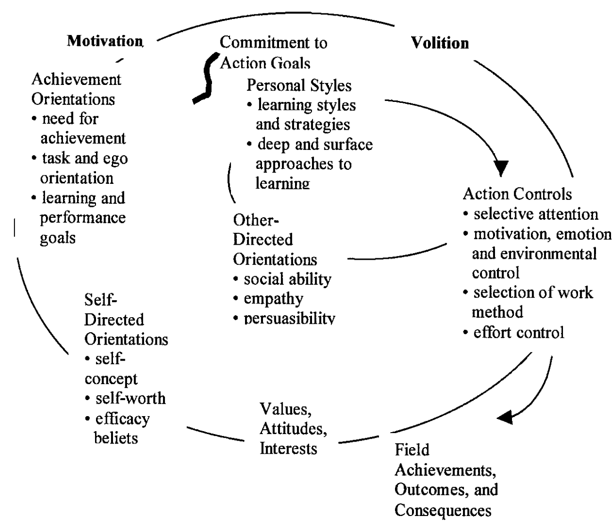

Figure 2. *Conative Constructs in the Motivation –Volition Cycle*
(Ruohotie, 2000; adapted from Snow, Corno & Jackson 1996, p. 256)

Several personal determinants of motivation have been identified which are linked to decision making and to the willingness to participate in learning and performance tasks. These determinants include the personal need for achievement, fear of failure, various intrinsic and extrinsic goals, and time requirements anticipated in order to achieve a goal. These factors are called achievement orientations. Two other goal-choice and motivational factors have been identified. The first one includes self-directed orientations; which are, for example, self-concept, self-worth, and self-efficacy. The second one includes values, attitudes and interests; which determine one's preference for certain subject matter, tasks, and procedures.

Constructs involved in goal implementation are also closely linked to volition. They assist in carrying out plans and intentions. Action controls are one category of individual difference constructs which is used when trying to control competing intentions and attention-distracting factors. Individuals can also control available resources in a timely and efficient way. The control processes of distraction have been studied extensively (see Sockett, l988). The self-regulation of learning also belongs in this category (see, for example, Schunk & Zimmerman, 1994).

Entrepreneurial and self-regulated learning traits include mindfulness, effort, and persistence. Research on conation has attempted to describe, for example, individual goal-setting, self-regulation that leads to goal-oriented action, effort investment, and the attempt to set realistic goals. One can also distinguish cognitive-conative blends which help an individual to evaluate and monitor personal development and to methodically build competence (e.g., Willingham, 1985; Clausen, 1993).

We must not forget another area of volition, other-directed orientations, as people are often susceptible to external influences, accepting and, to some extent, wishing them. They may also be more or less inclined to exert their own influence on others. This inclination may be described in terms of characteristics such as: persuasiveness, empathy, and social ability or social intelligence. Reactions to different people and new situations vary between individuals, both in terms of how they may try to exert an influence over others and in their openness to be influenced by others.

Other-directed orientation is also contextual and culturally-driven. An experienced entrepreneurship educator knows that the learners' reactions in entrepreneurship education can vary widely within different audiences and between reference groups; for example, tourism courses versus healthcare courses.

To complete the first circle, personal styles belong in the third volitional category. Many stylistic constructs of learning and studying are dependent on volition. The learner may decide for her/himself, how superficially or in-depth s/he wants to study. Other-directed constructs and personal styles are not mutually exclusive. Rather, there are several overlapping factors which can be seen in many cognitive skills, strategies and methods.

Why have we listed these conative concepts and how are they linked to learning? The concepts can help us to understand the dynamic motivation-volition cycle. An individual's values, attitudes, interests, self-directed orientations, and achievement orientation guide her/his motivation. Self-concept, self-worth and efficacy beliefs are considered to be self-directed orientations. Need for achievement, task and ego orientation plus learning and performance goals are considered to be achievement orientations. These motivational factors define how committed one will be to the given action goal.

Some of these conative concepts, such as need for achievement and/or efficacy beliefs, have been studied in entrepreneurship research since the 1970's. The problem is that they have primarily been studied cross-sectionally (not dynamically), and far too narrowly as independent traits (without the other influencing factors in motivation/volition cycles); that is, they have been studied as psychological traits but not as key concepts and preconditions of one's entrepreneurial learning. Thus, a word of caution is in order. In entrepreneurship education, static descriptions of entrepreneurial personality traits can be artificial because the nature of the phenomenon is dynamic throughout the whole learning experience. We also contend that achieving learning goals is strongly dependent on volitional processes. Volitional constructs in the learning of entrepreneurship include action control strategies, other-directed orientations, learning styles and strategies.

Self-regulated learning can also be seen as a cycle. According to Zimmerman (1998), it is a cyclical, three-phased process. Forethought precedes learning. Performance or volitional control guides the learning process and regulates concentration and learning performance. Self-reflection refers to looking back on the learning experience and gives meaning to the learning experience.

Due to space limitations, the third cycle is not discussed here in more detail. With regard to entrepreneurship learning we cannot, however, by-pass the last phase, namely self-evaluation. We think that it is particularly applicable for our latter discussion and final conclusions.

Self-evaluation is the process whereby an individual compares information attained through self-monitoring to extrinsic standards or goals (like the first business plan or the first budget of an entrepreneur). S/he wants to have feedback on her/his performance. Self-evaluation leads to attribution interpretations; the learner interprets the reasons of success or failure. For example, s/he might blame failure on bad luck, or s/he might attribute it to her/his lack of ability or low effort.

The cycle dynamic of entrepreneurial learning can be summarized as follows: Forethought prepares the potential (would-be) entrepreneur, the volitional (wanna-be) entrepreneur or the acting (existing) entrepreneur for the performance phase where the control strategies s/he chooses play an important role. Applying these strategies then leads to the self-reflection phase and then, finally, back to performance-guiding self-interpretations and forethought. Thus, the self-reflection phase may lead to re-evaluation of current methods and replacing them with new, more developed ones.

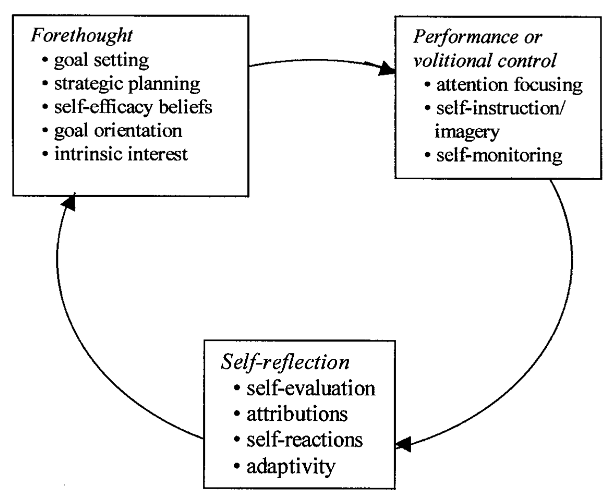

Figure 3. *Cyclical Phases and Subprocesses of Self-Regulation; adapted from Zimmerman 1988.*

This summary description also applies to entrepreneurial learning. We suggest that these three key diagrams can contribute to a significant improvement in our understanding of entrepreneurial learning and entrepreneurship. They have immediate potential to improve entrepreneurship education, and, if further developed, could potentially lead to an entirely new paradigm. Let us turn our attention towards this new approach and evolving paradigm.

TOWARDS MORE INDIVIDUALISTIC, MORE AFFECTIVE AND MORE CONATIVE ENTREPRENEURSHIP EDUCATION

Cognitive instruction, which primarily concerns itself with an entrepreneur's knowledge and skills, has in the past been the most common approach to entrepreneurship education. In its purest form this may take the form of a short training course, such as "How to Set Up a New Venture," "How to Define a Business Concept," or "How to Make a Business Plan." These courses have certainly made knowledge about business activities available to entrepreneurs, but it is far from certain that they have actually improved learners' readiness for entrepreneurship. Normally they have paid no attention to the learners' affective or conative state. Very often the learners are not treated as individuals, but as a group, and all are offered with the same instructional format. Even in many primary and secondary schools (ages six to eighteen years) entrepreneurship is taught without any attention to affective or conative readiness.

We do not want to underestimate the value of knowledge- or skill-related capabilities in running a business successfully. However, we do suggest that the contents of entrepreneurship education and the learning methods used in those courses should be reconsidered. If a learner becomes personally interested in entrepreneurship/intrapreneurship, and if her/his disposition towards entrepreneurship and/or intrapreneurship becomes positive, volition will cause the learner to actively study and learn entrepreneurial knowledge and skills. If s/he learns to value entrepreneurship and it suits her/his orientation, an effective goal-level is established for her/his entrepreneurial intention. The person whose entrepreneurial intention is strong directs her/his mental energy and inner growth towards entrepreneurial activities.

Entrepreneurs are not born. One's personality is a product of inherited and learned ingredients, and our behavior is affected by the context (e.g. subject matter, time horizon and environment). Affective and conative factors are crucial as far as the following considerations are concerned: (a) Are you interested and enthusiastic in regard to entrepreneurship (motivation), (b) Do you want to be an entrepreneur (volition), (c) Are you brave enough to commit yourself and assume the risk of venturing (courage), and, finally, (d) Do you need any new knowledge or skills in doing so (cognition)? Only if these questions are thoroughly discussed in this order and with wider and deeper understanding can we expect better results from our entrepreneurship education, both in terms of personality and intelligence.

REFERENCES

Barrow, R. & Milburn, G. (1990). *A Critical Dictionary of Educational Concepts* (2nd ed.). New York: Teachers College Press.

Bird, J. B. (1989). *Entrepreneurial Behaviour*. London: Scott & Foresmann & Company.

Brockhaus, R. H. (1980). Risk-taking propensity of entrepreneurs. *Academy of Management Journal, 25*(3), 509 520.

Brockhaus, R. H. (1982). Psychology of an entrepreneur, In Kent, C. A., Sexton, D. L & Vesper, K. H. (Eds.). *Encyclopedia of Entrepreneurship,* Englewood Cliffs: Prentice-Hall, 39 57.

Carland, J. A., Carland, J. W. & Hoy, F. (1992). An entrepreneurship index: An empirical validation, In *Frontiers of Entrepreneurship Research*, Babson Park, MA.:Babson College.

Clausen, J. A. (1993). *American Livers*. New York: Free Press.

Corno, L. (1989). Self-regulated learning: A volitional analysis, In Zimmerman, B. & Schunk, D. (Eds.). *Self-regulated Learning and Academic Achievement: Theory, Research and Practice*. New York: Springer, 111 142.

Corno, L. (1993). The best-laid plans: Modern concepts of volition and educational research. *Educational Researcher, 2*, 14-22.

Delmar, F. (1994). The risk management of the entrepreneur: An economic-psychological perspective, *Journal of Enterprising Culture, 2*(2), 735-751.

Drucker, P. (1985). *Innovation and Entrepreneurship*. New York: Harper & Row.

Eisenberg, R. (1992). Learned industriousness. *Psychological Review, 99*, 248-267.

Heckenhausen, H. & Kuhl, J. (1985). From wishes to action: The dead ends and shortcuts on the long way to action, In Frese, M. & Sabini, J. (Eds.). *Goal-directed Behaviour: Psychological Theory and Research on Action*. Hillsdale, NJ: Lawrence Erlbaum Associates.

Huuskonen, V. (1992). Yrittäjäksi ryhtyminen. Teoreettinen viitekehys ja sen koettelu. Väitöskirja. Turku: Turun kauppakorkeakoulun julkaisuja A-2. (in Finnish)

Jackson, D. N. (1976). *Jackson Personality Inventory Manual*. Goshen, NY: Research Psychologists Press.

Kets de Vries, M. (1977). The entrepreneurial personality: A person at the crossroads, *Journal of Management Studies, 14*, 34-57.

Koiranen, M. (1993). Ole yrittäjä: ulkoinen ja sisäinen yrittäjyys. Tampere. Tammerpaino. (in Finnish)

Koiranen, M. (1999). "Yrittäjyys on yleissivistystä," teoksessa Honka, J., Lampinen, L., Ruohotie, P. ja Harra, K.: Matti Peltonen, näkijä ja tekijä. Saarijärvi. OKKA-säätiön julkaisuja, 58 66. (in Finnish)

Koiranen, M., Hyrsky, K. & Tuunanen, M. (1996). Risk taking propensity of US and Finnish SME's: Findings on similarities and differences. Conference Paper. Academy of Entrepreneurship. October 11-13, Maui.

Koiranen, M. & Peltonen, M.: Yrittäjyyskasvatus. Tampere. Konetuumat Oy. (in Finnish)

Masters, R. & Meier, R. (1988). Sex differences and risk taking propensity of entrepreneurs, *Journal of Small Business Management, 26*(1), 31-35.

Messick, S. (1996). *Bridging Cognition and Personality in Education: The Role of Style in Performance and Development.* Research Report. Princeton, NJ: Educational Testing Service.

Pintrich, P. R., Marx, R. W. & Boyle, R. A. (1993). Beyond cold conceptual change: The role of motivational beliefs and classroom contextual factors in the process of conceptual change, *Review of Educational Research, 63,* 167-199.

Rand, A. (1988). Our cultural value-deprivation, In Peikoff, I. (Ed.). *The Voice of Reason.* New York: New American Library.

Ray, D. M. (1986). Perceptions of risk and new enterprise formation in Singapore: An exploratory study, In *Frontiers of Entrepreneurship Research*. Babson Park, MA: Babson College.

Ruohotie, P. (1994). Motivation and self-directed learning. In P. Ruohotie & P.P. Grimmett, P. P. (Eds.), *New Themes for Education in a Changing World*. Tampere, Career Development Finland Ky.

Ruohotie, P. (1996). Self-regulation in adult learning. In P. Ruohotie, J. Honka, & B. Beairsto, (Eds.), *New Themes for Vocational Education*. University of Tampere: Research Center for Vocational Education.

Ruohotie, P. (1999). Motivaatio, tahto ja oppiminen," teoksessa Honka, J., Lampinen, L., Ruohotie, P. ja Harra, K.: Matti Peltonen, näkijä ja tekijä. Saarijärvi. OKKA-säätiön julkaisuja, 69-81. (in Finnish)

Ruohotie, P. (2000). Conative constructs in learning. In P. R. Pintrich & P. Ruohotie, *Conative Constructs and Self-Regulated Learning.* University of Tampere: Research Center for Vocational Education.

Schunk, D. H. & Zimmerman, B. J. (1994). *Self-Regulation of Learning and Performance: Issues and Educational Applications.* Hillsdale, N. J.: Erlbaum.

Sexton, D. & Bowman-Upton, N. B. (1991). Entrepreneurship: Creativity and Growth. New York: Macmillan Publishing Company.

Snow, R. E., Corno, L. & Jackson, D. (1996). Individual differences in affective and conative functions, In D. C. Berliner & R. C. Calfee, (Eds.), *Handbook of Educational Psychology.* New York. Simon & Schuster Macmillan, 243-310.

Snow, R. E. & Farr, M. J. (Eds.) (1987). Aptitude, learning, and instruction. (Vol. 3). *Conative and Affective Process Analyses.* Hillsdale, NJ: Lawrence Erlbaum Associates.

Snow, R. E. & Jackson, D. N. (1994). Individual differences in conation: Selected constructs and measures. In H. F. O'Neill & M. Drillings, (Eds.), *Motivation, Theory and Research.* Hillsdale, NJ: Lawrence Erlbaum Associates.

Sockett, H. (1988). Education and will: Aspects of personal capability. *American Journal of Education, 96*, 195-214.

Spangler, W. D. (1992). Validity of questionnaire and TAT measures of need for achievement: Two meta-analyses. *Psychological Bulletin, 112*, 140-154.

Statt, D. A. (1990). *The Concise Dictionary of Psychology.* London: Routledge.

Unni, V. K. (1990). Perceptions of risk among entrepreneurs and nonentrepreneurs in India and France. *International Journal of Management, 7*(3), 270-279.

Weiner, B. (1990). History of motivational research in education. *Journal of Educational Psychology, 82*, 616-623.

Willingham, W. (1985). *Success in College.* New York: College Board.

Zimmerman, B. J. (1998). Developing self-fulfilling cycles of academic regulation: An analysis of exemplary instructional models. In D. H. Schunk & B. J. Zimmerman (Eds.), *Self-Regulated Learning: From Teaching to Self-Reflective Practice.* New York: The Guilford Press, 1-19.

GLOBAL MARKET ENTRY STRATEGIES FOR FREE ENTERPRISE AND ENTREPRENEURSHIP EDUCATION ORGANIZATIONS

Robert Birney, Alverno College

ABSTRACT

Entrepreneurship education organizations have opportunities to serve the immense needs for entrepreneurial and free enterprise education and experience throughout the world. They are faced with the daily challenge of generating funds to support the growth and implementation of their programs. With the success in the U.S. and already in many global markets, entrepreneurship education organizations are dealing with the critical questions of what markets to serve, how and when to enter and grow, what programs and services to develop and offer, and how fast to grow. As they pursue growth they serve their mission and seek to maintain and improve the creativity, delivery, and quality of their programs. The markets they enter and strategies used can be expected to reflect the creativity and entrepreneurial spirit they offer and teach others.

The article presents critical questions of where and how to enter and grow in global markets for entrepreneurship education organizations. It looks at unique factors influencing their motivation and interests to enter new markets. Essential factors and variables used in decision making are identified to assist the process of evaluating market potential and chances for success. Global market entry strategies are described with advantages and disadvantages. Once established in a new market, the challenges in developing and growing in the market are reviewed. The intent is to provide useful strategic questions, factors in decision making, and entry strategies suitable for most U.S. based entrepreneurship education organizations as they seek to serve needs and grow in global markets. The discussion focuses on the interests of private non-profit entrepreneurship education organizations.

INTRODUCTION AND BACKGROUND

Much of the world has admired, benefited, and been influenced by the entrepreneurial abilities, knowledge, and achievements of the United States from the early entrepreneurs of Thomas Edison, Henry Ford, and George Washington Carver to recent entrepreneurs including Bill Gates, Sam M. Walton, and Oprah Winfrey. Even with the frequent political changes in identifying independent countries, there are 188 member countries and territories in the United Nations with varying degrees of sovereignty and economic freedom (Driscoll, Holmes & Kirkpatrick, 1999). With this large number of countries, few are widely recognized as having well developed entrepreneurship education and service organizations to teach and support the abilities and knowledge needed for creating and managing successful new entrepreneurial enterprises. Many countries have current or past economic systems restricting or giving little support to entrepreneurship education and free enterprise. In socialist economies creativity has usually been directed toward the collective and central planning of business activities where asset building, new business development, and free enterprise were tradeoffs for achieving goals of productivity, efficiency, and asset control. As countries see the value of entrepreneurship in dramatically raising living standards and contributing to political stability, they have looked to the U.S. to gain the abilities, knowledge, experience, and resources to develop free enterprise and market based economies.

In the past U.S. businesses and educational organizations have had the advantage of operating in a large, affluent, and relatively homogeneous market of over 270 million people and a sophisticated infrastructure. With this large and attractive primary market, U.S. organizations often have had less need and motivation to enter and operate in global markets to achieve their objectives. With the rapid development of global communication, technology, transport, trade agreements, and competition, the trend is for U.S. organizations to operate in multiple global markets. Manufacturing industries led the way in both producing products and selling in new markets. Next a boom in service industries including insurance, banking, communication, and media resulted partly from improved electronic technology, trade agreements, and communication. This globalization of enterprises has generated a growing need for entrepreneurship education and experienced employees in new markets.

U.S. universities have sought to meet the need by developing educational student exchange programs, recruiting foreign students into U.S. based training programs, and some have created independent, distance learning, or joint ventures establishing MBA programs in other countries based on the U.S. model. The MBA type of curriculum has been replicated or adapted by many major foreign universities. Some U.S. government education and economic assistance grants provide entrepreneurship education and training although they target specific audiences and with highly restricted funds. At the undergraduate level, programs in banking, insurance, administration, human resources, and marketing are frequently available and growing rapidly in many countries, often through distance learning. Programs developing abilities, knowledge, and experience in entrepreneurship education are uncommon and in great demand.

The concept of gaining the *entrepreneurial spirit* is the most difficult to understand, experience, and acquire even when entrepreneurship educational courses and programs are available. Many U.S. students have the opportunity to take courses and major in small business management and entrepreneurship to formally learn abilities and knowledge. They also have entrepreneurship education service organizations where they can learn, practice, and teach the knowledge and abilities of entrepreneurship and free enterprise.

With the organization, Junior Achievement, students learn and experience the basics of economics and entrepreneurship while attending elementary and secondary schools. Through Students in Free Enterprise (SIFE) college students learn, teach, and practice the knowledge and abilities of entrepreneurship with service learning projects at their colleges and in their communities including teaching at elementary and secondary schools. SIFE was founded in 1975 and is in over 700 colleges in the U.S and in 17 countries. It is a non-profit entrepreneurship education service organization primarily focused on teaching the principles of free enterprise economics. In these organizations students especially learn and experience perhaps the most intangible and necessary components of entrepreneurship – free enterprise and the entrepreneurial spirit. These and other entrepreneurship educational organizations continually consider where and how to grow in global markets to meet the needs for entrepreneurship learning and experience.

The paper presents critical questions of where and how to enter and grow in global markets for entrepreneurship education organizations. It looks at unique factors influencing their motivation and interests to enter new markets. Important factors and variables used in decision making are identified to assist in evaluating market potential and chances for success. Global market entry strategies are described including several advantages and disadvantages of each. Once established in a new market, the challenges in developing and growing in the market are reviewed. The intent is to provide a selection of useful strategic questions, factors and variables for decision processes, and entry strategies suitable for most U.S. based entrepreneurship education organizations as they seek to serve needs and grow in global markets. The discussion focuses on private non-profit entrepreneurship education service organizations.

THE DECISION TO ENTER GLOBAL MARKETS

The decision process used to evaluate and enter global markets may vary depending on the organization, the participants, and the situation. It is most important to include and consider essential questions, factors, variables, and strategies in their strategic planning process. A valuable starting point in the process is for the organization to conduct a self-assessment of its current situation and capabilities based on its mission, values, and objectives. A dominant question to help drive the process should be how could global growth contribute to serving its mission and how would the organization need to change.

The mission, values, and objectives of the organization will greatly influence and give direction to the interests and motivations to enter and grow in global markets (Ghoshal, Bauman & Bartlett, 1995). It is important to consider if the mission is interpreted to allow global growth or if it is restrictive because of its formulation in years past. An organization will need to consider if its objectives include or allow a global perspective and global operations. The organization could achieve higher levels of its objectives through having global operations. Conversely, seeking global growth could limit its ability to achieve satisfactory levels of performance with the demand for additional resources and complexity of global operations. Another key consideration is looking at the current level and scope of operations and resources needed to be successful in new markets and will the organization be spread too thinly (Terpstra & Sarathy, 1997).

In the decision process an organization should carefully examine its needs, interests, and motivation to operate in new markets (Stopford & Balden-Fuller, 1994). What will be the primary reasons and objectives to make the changes in markets served? Common reasons for include being able to fulfil its mission to serve and teach more people, increase revenue, meet or get ahead of the competition, take advantage of special events or opportunities. For example, with the change in many countries from a centrally controlled socialist economy to a market economy, it creates needs and opportunities for entrepreneurship education not previously available. Grants, sponsors, or other funding for programs to support activities and operations could become available. These funds are often very restrictive and have to be carefully considered to see if they lead to activities directly supporting the organization's mission and objectives.

Although an organization may view themself as currently operating only in the U.S., they may already be very involved in global activities. They probably have existing inbound activities with students and professionals coming to the U.S. for training and to participate in activities of the organization (Fisk, Grove & John, 2000). Perhaps the organization has funding or assets from other countries. It may also be influenced by media, communications, cultures, and events in other countries. From an outbound flow members and participants of the U.S. domestic organization will likely travel and communicate outside the U.S. Often organizations and their participants have developed sister or partnership relationships with similar organizations in another country. These contacts and networks are most likely the start of the process eventually establishing the organization as an entity in a new market.

Again considering the size of the U.S. market, an organization could make the case of not going global until they have met the needs and serve all the markets in the U.S. at a level of saturation. This is often the prevailing reasoning for not entering foreign markets. With the increasing globalization of business and the supporting technology to facilitate this, an organization should frequently consider where, when, and how they could enter new markets, and not limit planning processes by focusing on the one question of should they go global or not (Porter, 1985). It is more visionary to keep an open mind and conduct environmental scanning of markets to be aware of attractive opportunities (Davidson, 1991).

Tradeoffs include the use of time and resources compared to the benefits of operating in the new markets. At some point in the decision making process a conclusion will be made regarding how the U.S. operations will be affected by going global. Additional factors will include how success will be identified and measured, the level of risk taken, the time and commitment seeking to achieve objectives, and the amount of resources required.

CRITICAL FACTORS AND VARIABLES IN EVALUATING NEW MARKETS

Having the possibilities of selecting among 188 countries and markets in which to operate, the entrepreneurship education organization must determine its criteria for selecting new markets. It would be rare for an organization to take large numbers of markets and do a full analysis and comparison. The most common approach is to start considering the markets where it has established contacts, learned of special events or opportunities, those it already has experienced inbound or outbound activities, and those having unique needs or characteristics for its entrepreneurship education services. It is also useful to identify where competitors are operating, evaluate their level of success, and find potential markets with low levels of competition. Efficiencies can be improved in communication and resources by selecting a region or neighboring countries to enter compared to scattered and distant countries.

Essential market analysis should include an examination of the macro environment, industry environment, and operating environment. All of this is directed to answer the question of what is the potential and attractiveness of the market (Lovelock, 1996). In many markets the need and potential may be large. However, if the organization's services and programs require users to pay fees and the organization also needs to raise funds from businesses in the country, consider what level of activity the market can support. For example, some of the largest markets and needs may be in countries in Africa or Asia, yet financial resources could be very limited.

The mission, values, concept, and programs of the organization may have difficulty being transferred and adapted to the new markets. For instance, in some countries there is no word or direct translation for *free enterprise*. The concepts and programs may have resistance because they are new, unfamiliar, and different from past practices in government, business, and culture. If difficulties exist more resources will be needed to support communication and the additional learning, acceptance, and use of the services and programs. Therefore, the organization must identify the extent it will need to adapt its programs and its willingness to do so.

As a new entity the organization will need to be legally registered. There may be rules or laws where foreigners are limited or not allowed to register or operate organizations in the country. Names, trademarks, and copyrights will also need legal registration and protection. What would be the costs, timing, and limitations to operate in these restrictive markets? The concept and structure of the organization may be new to the legal system and the timing for registration may be measured in months or years. Other laws and entry barriers such as competitors, infrastructure, communication, and corruption need to be identified and evaluated.

There may be competing organizations providing similar or related programs and seeking the same funding sources. It is important to look at the different types of competitors beyond those who are similar to the organization. Universities, governments, social services, businesses, and foundations may be formidable competitors. Hence, it is essential to clearly identify your target market, competitive advantages, and competitive disadvantages (Porter, 1985). A highly competitive market could be an indication of a large, growing, and attractive market where the organization can have success. On the other hand, a market with little competition could mean there are reasons it may not be attractive. With established competition the organization could benefit from the knowledge, processes, and resources competitors developed in the market compared to being the pioneer in the market at the start of the learning curve. For example, if a foreign entrepreneurship education organization entered the U.S., they would find the market very competitive yet having a strong history of corporate financial support for this type of organization. In some countries businesses expect the government to provide nearly all the support for education and related organizations.

In measuring the attractiveness of markets it is important to evaluate the costs of entering and operating in the market to achieve objectives. From the experience of U.S. businesses and educational organizations entering new markets, the time needed to complete tasks, communicate, and generally operate in a foreign market often takes 2 to 10 times longer than in the U.S. to accomplish. This is attributed to differences in language, culture, infrastructure, technology, decision and legal processes, and the development time involved in adapting and doing new activities in these environments (Naisbitt, 1994). Sometimes unexpected high costs of operating in a major city exist where generally wages and other costs in the country are very low outside the cities. For instance, in Moscow average wages are a small percentage of U.S. average wages, yet costs to support an expatriate working there can be as high as a large city in the U.S. often because of shortages in acceptable housing, medical care, and transportation.

A market may be more attractive because of the ability to raise funds and develop support in the country. Much of the success in fundraising correlates to the network of people and organizations developed. As mentioned above, there is a benefit if the sources where you seek funds have an established practice of supporting related activities. Otherwise, the organization should be prepared to take the additional effort for developing networks, making presentations, and educating funding sources on reasons for support.

If the organization wants to consider entering a market on the basis of a franchising, licensing, joint venture, or partnership arrangement, it will need to identify and evaluate existing organizations to serve this role. To what extent are they compatible with your mission, values, and programs? What will be the costs and benefits for each member of the arrangement? What are the motivations and objectives of the organization? What are their competitive advantages and disadvantages? What resources can they obtain and commit? What are the capabilities and availability of management and human resources? What is their timeline for developing the relationship and operating? What will the organization have to invest in training and other resources in developing the partner organization to become independent? Identifying and selecting the right partner can substantially change the final evaluation of the overall market. An extraordinary partner can change an unattractive market to be viewed as having high potential. A weak partner can change a highly rated market to one with a lower potential.

Some variables, which may prove most useful throughout the entire process of evaluating markets and in developing selection criteria, should be the level of risk, costs, benefits, amount of control needed, and the level of independence sought for both the organization and operations in the new market.

STRATEGIES FOR ENTERING AND GROWING IN GLOBAL MARKETS

The key factors and variables used by entrepreneurship education organizations in evaluating potential markets for entry should also be considered in selecting the entry strategy. In the decision process it is valuable to look at each possible strategy individually. However, in practice and implementation, a combination of strategies will likely be used together and over a period of time. Organizations can expect to conclude that different entry strategies will be more appropriate for different markets at different times and situations (Johansson, 1997). The strategies presented are drawn from those used successfully in service and educational organizations. A listing and description of strategies provides a stimulus to analyze possibilities and to creatively develop the best tailored strategy for the organization.

Inbound Service. This strategy calls for bringing people to your location of operations in the U.S. They come to learn and participate in your programs, which may be adapted for their needs and language. Another version of this strategy could be using electronic technology with involvement through the Internet, teleconferencing, and satellite communications. However, the activities are generally U.S. focused. Compared to other strategies, the advantages are lower costs, lower risks, ease of development, and a high level of control. Some disadvantages are the programs have mostly a U.S. focus and perspective, the needs of the foreign country are served at a lower level, and the U.S. organization misses opportunities for higher levels of learning and service in the new market.

Outbound Service. The strategy here is the U.S. organization directs communication and programs to the new market. This could include developing services and programs specifically for the new market with delivery through electronic communication and representatives going to the country to implement programs in the market. The strategy has the advantages of tailoring programs and communications to meet specific needs, higher chances for acceptance and adaptation in the country, lower commitment of resources in development and management, and a moderate level of control. Since the organization is now operating in another country, disadvantages include higher costs and risks, more complex implementation, and less control in operations.

Licensing and Franchising. The essential element of these two strategies is giving the rights to another organization, in return for fees, to use your name, concept, and operations designs and procedures. The success of these strategies is seen with the examples of licensing software and fast food franchising. The organization will need to identify what they have of value for successful licensing or franchising. Since entrepreneurship education organizations work almost solely with intangibles, licensing and franchising are more difficult to develop. This is made more difficult in countries where the legal protection of names, concepts, trademarks, and copyrights are minimal. With strong contracts and legal enforcement the organization can have a high level of control of the licensee and franchisee. Advantages include the lower capital investment and a lower level of risk for resources.

Joint Venture and Partnership. Joint ventures usually have the main characteristic of two independent organizations committing resources to develop a new jointly owned venture. The joint venture results in a partner relationship. Other variations of partnerships and strategic alliances are possible. The partner in the new market could be responsible for developing and managing a quasi-independent operation; they could have specific responsibilities, or play the role of a distributor of programs. A partnership needs to carefully and formally define the role and responsibilities of each partner. This should include financial resources, management, decision-making processes, and dissolution. The advantages produced in the joint venture and partnership are the synergy, resources, and capabilities of the two organizations. They often can accomplish together what neither of them could do as well separately. Or a specific partner could have special abilities such as location, knowledge of the market, established resources and networks, and communication abilities. The two organizations will divide the risk, cost, and benefits with a predetermined formula. The major disadvantages are less control and decision making compared to direct investment, maintaining effective communication, and a partner changing their commitment and activities to achieve objectives of the partnership.

Direct Investment. This involves establishing a base of operations managed and financed by the organization. It can vary on the lower end of investment with having a representative or offices in the new market to conducting full operations in the new market and committing large resources. It gives the highest level of control because the organization is managing all or most of the operations. A major advantage can be to develop the operations where they are independent, locally managed, and funded by in country resources. The key disadvantages are the possible high costs with higher risks in achieving success. Some risks and costs can be reduced and many of the tasks can be accomplished by contract providers. This direct investment strategy demands substantial time, management, and resources from the organization. In addition, liability can be increased at this level of involvement in operations.

CHALLENGES IN DEVELOPING MARKETS AND FUTURE GROWTH

After the markets and strategies are selected and incorporated into a strategic plan, the biggest challenge for the organization will be successful implementation to achieve objectives. Success will be dependent on the commitment, resources, learning, and adaptability demonstrated (Heskitt, 1986). It will be useful to develop timelines based on some reflection of how long it took the organization to achieve certain levels of growth, milestones, and benchmarks in the U.S. Allowances need to be made for new languages, cultures, business practices, competitors, and changing markets. Since each entrepreneurship education organization probably views itself as a learning organization, they should use and benefit from their learning throughout the process and commitment of entering and growing new markets (Senge, 1994).

SUMMARY

The nature of developing new markets is having disappointment in setbacks and enjoyment in breakthroughs. In the process, a reoccurring issue will be the level of independence desired in the operations in the new market. Part of the question can be answered by determining the amount of control needed in the new market from the U.S base. Additionally, a common and persistent issue will be determining the level and allocation of resources given the competing opportunities and needs of multiple global markets and U.S. operations. Decisions on financing development will include the extent to which the new market needs to be and can be self-supporting and independent. The rate of growth in a new market is very dependent on the level of financial and human capital invested in early stages. Since many organizations are heavily dependent on volunteers, they will need to decide on effective strategies to develop volunteer networks and consider the timing of when paid staff is necessary.

The final decisions and plans for entry and growth can integrate a process where ideas and approaches are researched and tested by piloting activities and involvement in new markets. A valuable approach is to seek entry and growth in defined incremental steps and stages. With learning and evaluation in each stage, it serves as a knowledge and experiential base for planning and implementing the next stage.

REFERENCES

Davidson, W. H. (1991). The Role of Global Scanning in Business Planning. *Organizational Dynamics*, Winter, 5-16.

Driscoll, Jr. G. P., Holmes, K. R. & Kirkpatrick, M. (1999). Economic Freedom Marches On. *The Wall Street Journal*, November 30, A7.

Fisk, R. P., Grove, S. J. & John, J. (2000). *Interactive Services Marketing*. Boston, MA: Houghton Mifflin Company.

Ghoshal, S., Bauman, P. R. & Bartlett, C. (1995). Building the entrepreneurial corporation: New organizational processes, new managerial tasks. *European Management Journal*, 13(2), 139-158.

Heskitt, J. L. (1986). *Managing in the Services Economy*, Boston, MA: Harvard School Press.

Johansson, J. K. (1997). *Global Marketing: Foreign Entry, Local Marketing, and Global Management*, Chicago, IL: Richard D. Irwin.

Lovelock, C. H. (1996). *Managing Services Marketing*, Englewood Cliffs, NJ: Prentice-Hall.

Naisbitt, J. (1994). *Global Paradox: The Bigger the World Economy, the More Powerful Its Smaller Players*, New York, NY: William Morrow.

Porter, M. (1985). *Competitive Advantage. Creating and Sustaining Superior Performance.* New York: The Free Press.

Senge, P. M. (1994). *The Fifth Discipline*. New York, NY: Currency Doubleday.

Stopford, J. & Balden-Fuller, C. (1994). Creating corporate entrepreneurship. *Strategic Management Journal*, 15, 521-36.

Terpstra, V. & Sarathy, R. (1997). *International Marketing*, seventh edition, Fort Worth, TX: Dryden Press.

The author is grateful for the advice of Jozef Orczyk, Poznan University of Economics, Poznan, Poland, in the preparation of this paper.

THE CHANGING PERSPECTIVE OF ENTREPRENEURIAL THINKING: OPINIONS AND RECOMMENDATIONS OF HUMAN RESOURCE MANAGERS

Calvin Shipley, Henderson State University
James Tatum, Henderson State University

ABSTRACT

The purpose of management education is to prepare business graduates to function successfully in the new entrepreneurial environment. This requires that they develop skills in entrepreneurial thinking including being innovative, proactively searching for opportunities, looking beyond the usual or customary solutions to problems, seeking potentially profitable risks and being willing to change.

To supplement an earlier study of alumni opinions and recommendations regarding entrepreneurial thinking, a survey of human resource managers was conducted to determine the employer's perspective and current management policies and practices. Their opinions on the importance of entrepreneurial attitudes and skills for individual and organizational success are also presented as well as their recommendations for improving entrepreneurial thinking skills.

INTRODUCTION

Entrepreneurship has been one of the driving forces contributing to the success of the American economy in the 1990's. According to one authority on organization theory, the 1970's was the decade of the "managerial man." The emphasis was placed securing a position of power by climbing the corporate ladder. Now the corporate climber has been replaced by the self-starter, the entrepreneur who starts his own business. Current literature indicates that some large, well-established organizations are beginning to develop and nurture the entrepreneurial drive within their company (Jennings, 1987).

This study reviews the literature with regard to the emergence of entrepreneurship as a broad driving force in corporations and seeks to ascertain to what degree companies' human resource management policies and practices reflect this "new" corporate entrepreneurial interest. Of particular interest is whether or not an individual's entrepreneurial thinking skills are important in the hiring and promotion policies of business organizations. Such information will assist in designing a business curriculum which will prepare the graduate for success in the job market. For purposes of this study, the university's market area was defined to be the state of Arkansas. The paper concludes with human resource managers' recommendations for improving entrepreneurial thinking skills through management education curricula.

TRENDS

Entrepreneurs are responsible for many significant contributions in the United States. Entrepreneurs have proven to be vital to the U.S. economy by providing leadership, innovation, and research and development effectiveness. These entrepreneurs are responsible for job creation through the development of new industries. This has led to a sense of renewal not only in management philosophy but also in the greater economy and society. It is interesting to note that in 1993, the majority of the nearly 2 million millionaires in the U.S. had obtained their wealth through entrepreneurial activity. One may not realize the impact of entrepreneurship on the U.S. economy but it is difficult to ignore when considering that in 1991 over 1 million enterprises were launched in the U.S. Not even a majority of the net new jobs were created by large, established companies but stemmed from these new and expanding firms. (Timmons, 1994) From 1988 to 1990, small firms have created all of the new jobs in the economy and most of this growth has occurred in firms with fewer than 20 employees. (Small Business Administration, 1992)

According to one authority, large companies are awakening to the fact that entrepreneurship is not just for new and small companies. The concept can be applied in older and larger companies, in slower growing or troubled companies, and in non-profit or government organizations. (Timmons, 1994)

Due to the success of many new businesses entering the market, many larger companies are studying the strategies and policies of these new companies. The startling realization is that these businesses are utilizing a basic business principle that has been part-and-parcel of the folklore of the free enterprise system since the beginning of time. Their strategies are not long or complicated; they are fundamental principles. It is the superstructures of organizations which have made strategies overly complicated. A collection of such fundamental strategies is as follows:

- "Profit is the name of the game."
- "Build a better mousetrap."
- "The customer is always right."
- "Either you run the business or it will run you."
- "People, not organization charts, make businesses."
- "If you want to be successful, make others successful." (Hanan, 1979)

Mack Hanan (1979), author of *Fast Growth Strategies*, urges large business to take heed of what can be learned of these new enterprises. In his message to CEOs and presidents, he tells them that their companies must be dedicated to growth and to involve people throughout the organization in the process. Hanan (1979) feels that management should "adapt their organization and operations to become more supportive to entrepreneurial managers."

John F. Welch, Jr., chairman of General Electric Company, recognizes the significance of corporate entrepreneurship noting that, "Size is no longer the trump card it once was in today's brutally competitive world market place--a market place that is unimpressed with logos and sales numbers but demands, instead, value and performance. " Welch's goal with regard to managing the $60 billion plus General Electric: to "get that small-company soul--and small-company speed--inside our big-company body." (Byrne, 1993)

According to *Business Week*'s John Byrne (1993), what Welch and so many other executives with large enterprises are trying to do is to tap what he calls the "economies of entrepreneurship." Bryne gives other examples of companies that are embracing the concept of corporate entrepreneurship. These include:

- ♦ Xerox deploys a venture fund to bankroll internally generated ideas that previously were discarded or overlooked.
- ♦ MCI Communication Corporation's chief executive appears on closed-circuit TV network to give impassioned talks on the merits of entrepreneurship.
- ♦ PepsiCo, Inc., hoping to get all its employees acting like small-business owners, dishes out stock options to janitors and secretaries.
- ♦ Phillips Electronics is allowing employees to pitch new ideas to a committee of top executives responsible for funding approval, much as an entrepreneur would. (Byrne, 1993)

There is evidence that there are some larger, well-established corporations that have embraced Byrne's (1993) "economies of entrepreneurship." Its purpose is to encourage an entrepreneurial spirit, in both management and employees, throughout the company. The question is whether or not, and to what degree, corporate practices are reflecting anecdotal evidence in the literature. The current study was designed to determine if this trend is reflected in human resource policies and practices and to solicit opinions of human resource managers with regard to techniques and methods effective in infusing students with entrepreneurial skills.

SURVEY RESULTS

In the summer of 1998, surveys were mailed to the approximately 200 members of the Arkansas Human Resources Association. The purpose was to examine the opinions and recommendations of those individuals intimately and actively involved in the hiring and evaluation of job performance for graduates in the business world. Thirty-nine survey instruments were returned for a response rate of about 20 percent. Information on the types of firms represented and the firm's size, as measured by number of employees, is given below in Table 1.

TABLE 1	
FIRM TYPE	**PERCENT**
Manufacturing	33.3%
Retail	0
Financial	10.3
Service	36.8
Non-Profit/Government	20.5
Other	5.1
EMPLOYEES	**PERCENT**
Less than 50	5.1
50 to 99	7.7
100 to 149	12.8
150 to 199	12.8
200 or more	61.5

Respondents were also asked to classify their firm on a continuum from Bureaucratic (1) to Entrepreneurial (5) (see Table 2). The mean response was 2.97 which is midway on the scale. The symmetric distribution of responses reinforces the conclusion that most of the respondents do not perceive their firms to be extremely bureaucratic or entrepreneurial.

TABLE 2		
		PERCENT RESPONDING
Bureaucratic	1	12.8
	2	23.1
	3	28.2
	4	25.6
Entrepreneurial	5	10.3

Respondents were also asked to give their opinions on the importance of entrepreneurial thinking (as defined for the survey) to several areas of success. The resulting distribution of responses is given in Table 3 below.

TABLE 3						
IMPORTANCE OF ENTREPRENEURIAL THINKING						
	PERCENT RESPONDING					
	Yes				No	Total
	1	2	3	4	5	
To the individual's success in the firm	30.8	25.6	41.0	2.6	0	100
To the success of the firm	48.7	28.2	17.9	5.1	0	100
To the success of the college graduate	56.4	33.3	7.7	2.6	0	100

It is interesting to note the difference in the importance of entrepreneurial thinking to the success of the firm (with nearly 50 percent responding with a definite "Yes") and the individual's success within the firm (over 40 percent responding "Somewhat" and just over 30 percent saying "Yes.") After merging the "3" and "4" responses because expected frequencies were too low, a Chi-square goodness-of-fit test indicated a significant difference in the distribution of responses for importance of entrepreneurial thinking to "individual success" and "firm success." The implication is that the firm's employees can succeed without being as "entrepreneurial" as the firm needs to be to succeed. This contradiction may spell difficulties for such organizations in the future. The Chi-square test showed there was no significant difference in the response distribution for "firm success" and "the general success of the college graduate." The respondents also indicated that business schools should develop graduates with an entrepreneurial orientation (more than 90 percent responded in the "Yes" to "Somewhat" range).

Given the growing importance of entrepreneurship as described in the literature and its importance to the firm, as indicated by human resource managers, it is interesting to note that relatively few of the respondents' firms have any formal plan to develop an entrepreneurial environment within the company. Just under a quarter (23.1 percent) of the human resource managers responding indicated that their firm had developed a formalized plan to encourage an entrepreneurial environment within the firm. Although a relationship was not testable, an examination of Table 4 indicates larger firms were less likely to have a formal plan in operation.

TABLE 4		
FIRM SIZE	NUMBER OF FIRMS	
	Formal Plan	No Formal Plan
Less than 200	5	10
200 or more	4	20

Almost 60 percent of respondents listed activities, formal or informal, which their firms used to develop an entrepreneurial environment. Among the activities firms used to promote an entrepreneurial environment were awards for employee suggestions (8 of 39 firms) and the use of the team approach to problem solving (7 firms). Three respondents noted cases in which the firm allowed the manager some independence in operating the unit as a profit center with financial rewards for growth. Other ideas mentioned were training and brainstorming activities and flexible job descriptions and scheduling. Of those responding to whether activities such as these were reflected in hiring practices were about evenly divided (48.3 percent responded "Yes").

Respondents were also asked whether they considered themselves to be "entrepreneurial thinkers." The response distribution is described in Table 5 below.

TABLE 5

Are you an "entrepreneurial thinker"?

PERCENT RESPONDING

Yes		Somewhat		No
1	2	3	4	5
25.6	33.3	33.3	7.7	0

The mean response was 2.23, indicating as the distribution does, that these respondents felt themselves to be more "entrepreneurial" than not. This result may be due to a response bias in the survey. However, if their perceptions are correct, this adds increased importance to their opinions about how schools of business can work to develop such an attitude in our graduates.

When asked what college courses would contribute to preparing entrepreneurial thinkers, a variety of courses, both business and non-business, were mentioned. The most commonly listed courses are shown in Table 6 below. In addition, both economics and finance were mentioned by about one-third of the respondents. Among non-business courses listed, by far the most common courses mentioned were in communications and people skills development.

TABLE 6

COURSE	PERCENT RESPONDING
Strategic Management	74
Business Communications	61
Basic Marketing	59
Basic Management	48

When asked about teaching methods and techniques which would contribute most to entrepreneurial thinking skills, responses were very consistent, as shown in Table 7.

TABLE 7

TEACHING TECHNIQUE	PERCENT RESPONDING
Preparing business plan	74.4
Team assignments	74.4
Internships/Field trips	64.1
Case studies	64.1
Role playing/simulations	64.1

Research assignments were mentioned by just over one-half of the human resource managers responding. Also mentioned were mentoring programs with local business people and "entrepreneur shadowing" experiences. These recommendations could be incorporated into existing internship programs and provide a more direct "entrepreneurial" focus.

The responding human resource managers also offered recommendations for improving the "entrepreneurial thinking" skills of business graduates. About 30 individual recommendations were given. Of these, approximately 20 percent mentioned activities associated with "real-world" experiences. Included here were projects where students work as consultants on an actual problem facing a real business with faculty serving as mentors. Activities designed to foster creativity and teaching a variety of problem solving and communications skills each accounted for another 20 percent of these responses. One particular recommendation seems worthy of note for management curriculum development--emphasize that entrepreneurial thinking skills are needed for success in *all* types and *all* sizes of business firms.

CONCLUSIONS AND RECOMMENDATIONS

Based on the survey results, it is concluded that:

- Entrepreneurial thinking skills are important for the success of firms, regardless of their type or size. Large organizations seem less likely to have formal plans for creating an entrepreneurial environment within the company.
- Entrepreneurial thinking is important to the success of graduates in general, although it appears to be less important to individual success within the firm according to the responding human resource managers. This may be due to the relatively low proportion of firms in the survey that have formal policies and practices for generating an entrepreneurial attitude within the organization.

In order to improve entrepreneurial thinking skills, and therefore, the success of the individual and the business organization, schools of business should do the following:

- ♦ Continue the current emphasis in those courses such as strategic management, management communications, marketing and basic management which the respondents indicated were most helpful.
- ♦ Expand real world "consulting" experiences for students in these and other classes.
- ♦ Expand the use of those teaching methods--such as preparing business plans and team assignments--which the human resource managers indicated were most beneficial in developing entrepreneurial thinking skills.
- ♦ Expand coverage of entrepreneurial topics into other courses which currently appear to contribute relatively little to the entrepreneurial perspective.

Finally, in addition to educational activities designed to improve the "entrepreneurial attitude" of business graduates, schools of business should undertake an "educational effort" to enlighten businesses of all sizes and types about the benefits, in fact the necessity, of developing entrepreneurial thinking throughout the organization. Schools should also share with those business organizations those practices and policies which can help develop these entrepreneurial thinking skills for employees.

REFERENCES

Byrne, J. (1993). Enterprise: how entrepreneurs are reshaping the economy--and what big companies can learn. *Business Week 1993 Special Bonus Issue--Enterprise*, 10-18.

Hanan, M. (1979). *Fast growth management: how to improve profits with entrepreneurial strategies*. New York: AMACOM.

Jennings, D. (1987). *Self made women: twelve of America's leading entrepreneurs talk about success, self-image and the superwoman.* Dallas: Taylor Publishing Company.

Small Business Administration. (1992). *The state of small business: a report of the president, transmitted to congress, 1992.* Washington, D.C.: U.S. Government Printing Office.

Timmons, J.A. (1994). *New venture creation.* Boston: Irwin.

TEAM JOURNAL WRITING IN THE ENTREPRENEURSHIP CURRICULUM

Peter H. Hackbert, California State University Monterey Bay

ABSTRACT

The educational value of engaging entrepreneurship learners in journal writing, a form of writing to learn. Journal writing has the potential to contribute to entrepreneurship by improving learners' written communication skills and encouraging critical and independent thinking. A journal-writing process designed for the entrepreneurship class is presented and recommendations are given for classroom events, assessment, procedures and design, saving instructor's time, and improving student learning and participation.

INTRODUCTION

Top managers and entrepreneurs consistently assert that the key to advancement and success in business is the ability to communicate (Envick & Anderson, 1995). The importance of conveying written and oral information to others (employees, customers) is widely recognized in business education as a critical asset for anyone who hopes to succeed (Collins, 1982; DiSalvo, 1980; Hahn & Mohrman, 1985; Latimer, 1982; Meister & Reinsch, 1978; Myers 1991; Wolvin, 1984). Managers spend about 75 percent of their time communicating; and the higher up managers go in the managerial hierarchy, the more time they spend communicating (Mintzberg, 1980).

Communication competencies are good predictors of overall performance rating (Quinn, Faerman, Thompson & McGrath, 1990). A connection between performance and communication competencies is apparent. A high or low rating in four communication competencies taken together predict a high or low overall performance evaluation 89.6 percent of the time (Scudder & Guinan, 1989).

While much of this communication involves oral, face-to-face interaction, the ability to write clearly, logically, and correctly is considered by many to be a reflection of one's ability to think cogently and to put together one's thoughts into action. As a consequence, writing provides the permanent record by which the soundness of decisions is often judged within correspondence: memos, letters, e-mail, reports, business plans. Written communication forms have the potential to play a necessary part in the success of the enterprise. Business people and educators frequently mention lack of written communications skills of entry-level college graduates and employees as a serious problem in business.

The need for business school graduates -- for entrepreneurship graduates -- to have strong written communications skills, as well as the ability to analyze and to synthesize, is increasingly apparent. In fact, Chonko (1993) suggests that developing critical thinking skills and strong written communication skills should be important for business school education. With the globalization of entrepreneurship (Dana, 1993) and the recognition that like management, entrepreneurship is a discipline composed of actions and behaviors (Drucker, 1985), the ability to communicate through a memo, letter, report, written document, and within a business plan is paramount.

How can this ability to communicate be accomplished? Business schools can instill Writing Across the Curriculum (WAC) mentality, particularly in undergraduate education. The Writing Across the Curriculum movement has clearly had a broad and growing influence on American higher education over the past 20 years (Russell, 1991). For decades now, educators have used journal writing as an effective teaching/learning technique. Writing not only requires thought, but also actually organizes thought, thereby facilitating analysis and synthesis. Observers report that in a journal, learners "will have written themselves toward understanding" (Fulweiler, 1980). Academics affirm that journal writing remains a valuable tool because it is a means to "teach learners to write; and encourages learners to share their experiences (Hettich, 1990). Researchers report that the use of these journals not only helps learners with comprehension and completion of assignments, but also actually teaches them to be better thinkers. All of these scholars express the view that writing, and specifically journal writing, is an effective learning technique.

The primary objective of this paper is to explore a potentially worthwhile approach that facilitates both writing and thinking skills by integrating journal writing into the entrepreneurship program.

JOURNAL WRITING: BACKGROUND AND THEORY

Allport (1942) defines journal writing as a topical autobiography, that is, a short, discontinuous personal document created by excising from life the special content of certain classes of events. More recently scholars observe that journal writing enables learners to explore their learning including affective and emotional components, as well as cognitive components (Terry, 1984). These improvements are derived when learners prepare journals writing by (1) focusing on process rather than on products, (2) emphasizing expressive and personal aspects, and (3) serving as a record of thought and expression that is available for reading. Extensive analysis of journal writing and other forms of autobiography are abundant (Hackbert & Chapman, 1994).

While educators may disagree over the importance of journal writing, they concur that a journal is an effective educational tool. Indeed, the significant number of academic articles describing writing techniques over the past 20 years attests to its usefulness. The application of journal writing in education includes such fields as accounting (Garner, 1994; Laufer & Crosser, 1990), computer science (Marcoulides & Simkin, 1991), creative writing (Hettich, 1990), economics (Kerr, Park & Domazlicky, 1995), education (Bowman, 1983; Grennan, 1989; Surbeck, Eunhye & Moyer, 1991), English (Hart, 1972), marketing (Hackbert, 1994a; 1994b), mathematics (Borasi & Rose, 1989), nursing (Duffy, 2000), psychology (Anderson, 1982; Jolley & Mitchell, 1990), reading (Browning, 1986), and social psychology (Snodgrass, 1985). While journal writing has been demonstrated to be helpful to educators, its practice is unsubstantiated in entrepreneurship programs. Confronted with this evidence, as well as the business community's call for greater attention to written communication, few entrepreneurial education faculty would presently dispute the desirability of the trend to embrace WAC.

Bruner (1966) suggests a theoretical basis for discussion of why journal writing enhances learning. The suggestion is that people come to know something through three modes of representation: doing it (enactive), making a picture or image of it (iconic), or symbolizing it (symbolic). A writer must express ideas in three modes of representation simultaneously -- through hand, eye and mind. These forces a degree of integration not found in other modes of expression. The cognitive literature describes writing as a process that enhances elaboration as the writer communicates through the symbols of language. As writers "shuttle back and forth between images, actions, and symbols, they enrich their knowledge and in effect, they learn" (Yinger & Clark, 1981). The consequence of this multiple representation is that learning occurs, as the writer perceives experience in a different mode. As a symbolic manipulation, writing not only represents experience, but also transforms it. Journal writing is active, personal, and requires a self-paced rhythm. It has also been shown to lead to higher levels of thinking.

THE JOURNAL WRITING PROCESS

Figure 1 shows the typical process of journal writing from both the learner's and the teacher's perspective. The approach adapts an information-processing perspective driven by events provided by the instructors. Information processing begins with the learner experience of the event and is moderated by several variables, including the ability of the learner to process the information; the structure of the observation; and the learner's motivation, involvement, and prior experiences. The learner then makes a journal entry that is a written description of, reflection on, and reaction to the event. The ability of the learner to make a journal entry is determined by the learner's written communication skills. The model outcome is that the journal writing process enhances learning.

The learner submits the journal entry to the instructor, who evaluates it. This evaluation will be mitigated by the goals the instructor has defined for the learning experience, the instructor's assessment abilities, and the time available for the assessment. The instructor provides individual feedback in the form of a written response to the journal entry and returns it to the learner. The instructor may also decide to give group feedback by submitting a summary response (that is, the instructor's own journal entry) to the entire class. A revision of the learner's journal entry, based on the teacher's feedback, may be submitted. The process of assessment drives instructor learning, which in turn permits the instructor to modify or enhance the existing event and select the next event.

Event

Journal entry learning experience is dependent on the quality of the entrepreneurship event that the instructor provides for the class. Exhibit 1 provides a number of general activities, with examples for the course that resulted in successful events. There were ten opportunities that took place for journal writing throughout the course. Exhibit 2 categorizes these events into those in a traditional academic setting (such as lectures and assigned readings), in a simulated setting (one that attempts to duplicate a real world setting in the academic environment), and in the field.

A modified process of the journal writing scheme was applied to the entrepreneurship class. First, student-learning teams were required to produce collaborative journal entries. Second, assessment was provided by a three-person teaching-team.

Student-Learning Teams

The concept of student-learning teams is partly based on a theory of collaborative experiential learning (Kolb, 1984) and on a model of adult learning which shifts control of educational process from the faculty to learners (Johnson, Johnson & Smith, 1991). The learning team also has roots in the tutorial systems used in Oxford and Cambridge and has been extensively used at the IMCB in Buckinghamshire, U.K. (Prideaux & Ford, 1988). This learner-centered approach and the small group are designed to enhance peer learning, an essential aspect of self-analytic work.

For students to be able to assess and develop abilities in themselves, it is necessary for them to develop “self-insight” (Schein, 1978). This requires that they make a conscious effort to learn about themselves-not an easy task, given the difficulty most of us have in learning from our experiences (Bion, 1959). The process can be facilitated by a social context in which self-study can be pursued and become the explicit objective of engaging in systematic self-study.

EXHIBIT 1
Activities and Examples for Successful Events

Activities	Examples
Sharing experiences.	Tell me about an entrepreneur with whom you've talked.
Asking questions	A student is asked (to respond to), "What motivated you to want to start your own business?"
Formulating hypothesis	An entrepreneur prepares a business plan for a venture.
Focusing thoughts	Why did you react to the company’s market launch the way you did?
Using imagery	Visualize the next negotiations presentation before your banker.
Recording informal research	Observe the communication techniques at a venture capital briefing.
Reflecting on what is:	
Known	What benefits emerge from entrepreneurs who understand how to use accounting information?
To be known	What makes for a successful entrepreneur?
Felt	How do you feel about leading 200 employees?
Interesting	What do you find interesting about an entrepreneurial career?

The learner, with other learners within a learning team, experiences the event, processes the information, structures a discussion of the event, and prepares a written journal entry on behalf of the entire learning team. The team submits the journal entry to the instructor who evaluates it.

EXHIBIT 2
Entrepreneurial Events for Journal Writing

Academic Setting	Simulated Setting	Field Setting
Lectures	Role-Playing	Entrepreneur Briefings
Reading	Cases	Site Visits
Instructional Videos	Group Exercises	Entrepreneurs Interviews
Library Research	Video Cases	Guest Speakers
Internet Research		Customer Interviews
Presentations by guests		Field Observations
Class discussions		Internships

Team Teaching and Team Grading

All instructors were involved in the "staging" of the events, (i,e., contacting entrepreneurs, scheduling off-site visits, obtaining corporate information distributed to learners prior to the visit). Upon completion of the off-site visit, one of three instructors selects and grades each team journal entry. The instructor provides individual feedback in the form of a written response to the journal entry and returns it to the student team.

Information Processing

Journal entry quality is dependent on the ability of the student learning teams to process information gathered by event experiences. Learner's prior experience, ability, motivation and involvement affect the processing. The methods that the team's members elect to reflect, review, edit and revise practices based upon feedback received from instructors also affect journal entry quality. The conceptual background in entrepreneurship that is provided in the class will also affect team-processing ability.

Instructors can also influence the processing of information provided by the event through the structuring of observations. Structuring refers to what the instructors ask the student-learning teams to observe. For an unstructured approach, learners could be asked, for example, to observe how an entrepreneur describe his entrepreneur's vision, the firm's mission, and founder motivations for launching his or her venture. For a more structured approach, learners could be asked to list key issues, strategies, questions and practices, which they feels are compelling within the enterprise. With unstructured observation, learners are given no framework, and journal entries will be highly varied. Structured observations will lead to greater focus.

Figure 2 presents a two-by-two matrix (low and high processing ability, low and high structure of the observation) classifying different types of journal entry outcomes. What this means for instruction is that, at the beginning of the entrepreneurs class, the journal entries should be structured to avoid entries with no detail, entries based upon uninformed and unresearched opinion. As the semester progresses, learners develop an understanding of how value is created within the enterprise by mastering entrepreneurial concepts. This progression permits the instructor to prepare low-structured events requiring research and analysis. With a low-structured event, the instructor is able to observe the "template" imposed by the student-learning teams to assess the event. The instructor can provide feedback which promotes information processing and reflective critical thinking. Alternatively, a highly structured event can be prepared, for which the learner observes the event through the instructor's "lens" and concentrates on providing details and relationships among entrepreneurial processes and decisions. Self-learning is one instructional goal, and this permits and encourages learners to impose their own structure on the events as processing ability becomes sufficiently developed.

Journal Entry

A journal entry comprises description of, reflection on and reaction to the event. The instructional team experiences have shown that journal entries should be weighted more heavily on the reflection and reaction components than on the description. This approach encourages learners to use higher levels of thinking (that is, analysis, synthesis, and evaluation) rather than just describe the events.

Several factors affect the quality of the journal entry. Writing style is the first factor. Limiting the length of the entry to two typed pages encourages a concise business communication style. Business schools have been attempting to improve the quality of writing, and page limitation is one method of encouraging learners to practice this communication skill. The primary purpose of the writing exercise is to improve learning and critical thinking. Treece and Hartman (1991) recommend that twenty percent of the journal writing assessment apply writing mechanics such as sentence structure, punctuation, spelling, organization and clarity of ideas.

The second factor affecting the quality of the journal entry reinforces the importance of instructor's questions and feedback. The quality of the instructor's written assessment of the learner's work will affect the quality of future journal entries. The instructor should encourage learning and thought by providing constructive comments. For example, if the entry is too descriptive an instructor could comment, "This is what it is; tell me what it means." Convincing writing is written in specific, concrete words that lead logically to a reasonable conclusion. The instructor should demonstrate that evidence; not personal opinion or persuasion convinces readers. Instructors circulate the written feedback to other faculty members as one way of establishing benchmarks and reviewing others' written comments. For example, one early decision entrepreneur's face is the legal form of the business formation in organizing the new venture. Are the student-learning teams able to recognize these forms and business decision trade-offs? If not, the instructor can use the feedback process to clarify the consequences of these entrepreneurial actions.

The third factor includes observations on the structuring of events. Journal writing quality is dependent on the instructor's ability to help learners focus on complete and coherent analysis. Examples include using class time to review lecture and reading topics and from them list specific questions learners would ask guest speakers. Students develop questions that are organized and contain well-chosen words, including transitional words and appropriate phrases. For example, how was the entrepreneur able to detect industry structural changes and consumer preference shifts that offered the exceptional entrepreneurial opportunities? Highly structured questions increase the ability of learners to ask specific and relevant questions.

The fourth factor includes having learners write for syntheses rather than describe detail. Breadth requires that learners integrate functional information and decision-making within the enterprise. Learners are encouraged to think and write broadly across disciplines integrating both near-term and long-term decision perspectives. The broad-based perspective becomes increasingly important in the development of a business plan which includes determining the viability of the venture in a designated market, the framework for organizing and planning venture activities, and the nucleus for obtaining financing.

The fifth factor includes journal entry length. A shorter entry is desirable. It requires the learner to write both precisely and concisely. When constrained by length, the learner must make decisions about what is important to evaluate. A longer journal entry releases the learner from this constraint.

The sixth and last factor journal quality is determining what to write. Structuring may be viewed as telling the learner what to write. To the extent that structure impedes learning by constraining the learner's discovery process, telling the learner what to write should be minimized.

METHOD

The context for this research was a 15-week semester-long interdisciplinary course designed to include 13 team journal assignments. This course is part of the required undergraduate core curriculum at a new western university and is comparable to other AACSB accredited business and entrepreneurship schools. Students must have attained junior standing in order to enroll. All assignments were completed outside of regularly scheduled class meetings and assumed a variety of forms and topics. The writing assignments were announced in order to permit teams to plan and organize their own productivity.

Journal Writing Examples

Example 1: Entrepreneurial Enterprise. Learners convened at PrimeQuest International to hear Vaughn Feather, President, describe the evolution of the health, fitness and sports medical research industry, and convergence of the dietary meal replacement segment with the maturing of interactive marketing. Feather, a founding Cambridge Plan International team member, described the launch, plateau and decline of Cambridge Diet supplements. Sales reached $700 million via network marketing distribution channels. The primary event goal was for learners to recognize how entrepreneurs see the unexpected incongruities: changes in market, industry structure, and the consumer perceptions dynamics. These incongruities if recognized provide entrepreneurial opportunities. PrimeQuest's most recent product line was presented for the learners to view the product development process, product testing, launch, positioning, marketing communication and distribution. A second goal was to hear how an entrepreneur organizes and staffs for entrepreneurship, integrating passion, motivation, vision, mission, integrity, and financial incentives. Following the event, learners were asked to make a journal entry evaluating the entrepreneur enterprise. Learners were asked to reflect upon which entrepreneurship elements they have within their own styles, using in-class lectures, textbook materials and the off-site conversation.

An evaluation of journal entries revealed that a number of learners could not identify with the underlying motivations surrounding PrimeQuest's intense desire to create something new, something different, and something that would respond to and satisfy consumer desires. This learner self-doubt is contrary to entrepreneurial spirit and motivation. Learners could not perceive within themselves the ability to create the range of value demonstrated by PrimeQuest.

The author discussed among faculty colleagues the learners' lack of self-confidence. The author assumed that learners could gain a sense of accomplishment derived from structuring new learning approaches. The author revised classroom events to increase collaborative learning and heighten team performance expectations. The learners' journal entries served to provide instant feedback on learner understanding of the passion and need for achievement.

Example 2: Leadership, Management and Empowerment. The author wanted to see if learners could come to terms with the classic question raised in many existing organizations: "how can an enterprise be made to be receptive to innovation, want innovation, reach for it, and work for it?" Four weeks following the first journal assignment, learners assembled at an off-site presentation with Vice President of Marketing and the Director of Human Resources at the Monterey Bay Aquarium (MBA). The goal of the event was to describe the development and implementation of policies, practices, actions and results that enable a public-service institution to be a successful entrepreneurial enterprise.

The off-site discussion began with the Vice President emphasizing five unique aquarium characteristics: the drive to secure talented people, the commitment to diversity of expertise, the mission orientation to conservation and education, the commitment to quality, and the commitment to change and innovation. Three innovative initiatives just simultaneously accomplished were described: a capital campaign to raise $23 million, a restructuring of the organizational structure into five major groups, and the development of the new exhibit facility. Four weeks prior to the event, MBA opened a new $57 million Outer Bay expansion facility. The Vice President used the exhibit facility as a case study to demonstrate how the dominant aquarium characteristics were implemented in actions. Learners were asked to prepare journals illustrating applications of MBA leadership, management and empowerment.

Assessment of the journal entries revealed that a majority of learning teams were beginning to see how a top management group sits down in partnership with junior people from life science research, external affairs, visitor services, accounting, facilities services, and human resources. The senior staff opens the session by saying: “I’m not here to make a speech or to tell you anything, I’m here to listen to you about how we might push the reset button.” The image of “resetting” the entrepreneurial engines was heard loudly and clearly. All journals referenced this point. The journals described the MBA spirit. It appeared that the learning teams were integrating similar principles and practices in preparing for class assignments. Learners were beginning to understand the applications of entrepreneurial concepts over time.

Example 3: Global Dimensions of Business. A guest speaker from the Monterey International Trade Center visited the class. The point was made that “we wouldn’t get behind the wheel if we didn’t know how to drive; we wouldn’t jump off a boat if we didn’t know how to swim; and we shouldn’t export, import, or make foreign direct investments without knowing the basic forces that drive international trade.” He went on to say that “international trade is not entirely different from domestic business. Without at least a cursory grasp of national trade policies, trading blocs, and exchange rates, it’s extremely difficult to make intelligent strategic decisions about overseas markets. To benefit from them, horizons need to be broadened and eyes opened to the international marketplace.

Assessment of the journal entries disclosed learners’ reflections of how they are currently involved in international trade. Learners revealed the personal importance of self-identification as an ethnic market characteristic. Learners assessed overseas market opportunities, global communications strategies and tactics. Entries reflected upon new insight discerned from global travel, analyzed management structures needed to import consumer apparel products, and personalized testimonials of families’ and friends’ micro-exporting ventures. Entries disclosed international venture plans. Learners wrote about country of origin consumer behavior shifts, barriers to distributions of imported products, changing status of relationships between native countries, and the U. S. Learners also wrote about the overseas government-controlled or free-market economies with questions regarding how to give up something of value (namely, export products) in exchange for receiving something of value (case, products, or services). These ideas all require competence in entrepreneurship.

Journal Entry Evaluation

Many ways to evaluate journal entry are available. A "check minus" for an incomplete assignment, a "check" for acceptable work, and a "check plus" for exceptionally thoughtful work is suitable (Browning, 1986; Knight, 1990). A coding scheme for journal writing that identifies different types of thinking is available (Knight, 1990). From a conceptual point of view, possible criteria might include description, reflection, and reaction; content and organization; convergence and divergence, analysis and synthesis; and thinking and learning. From a practical point of view, the authors developed a five-dimension, 10-point scoring system for evaluating journal entries. Both team points and primary author points were awarded (see Table 1). Up to 10 team points and 3 primary author points were awarded for the (1) extent to which the entry reveals application of concepts, principles, ideas introduced in reading and class presentation; (2) extent to which journal entry addresses the topic assigned; (3) extent to which the entry reveals candor in discussing problems; (4) extent to which entry reveals professionalism in style of presentation (phrasing and vocabulary, clarity, organization, spelling, polish, etc.,); and (5) extent to which entry reveals critical reflection on problems, topics, concepts, and the learning experience.

Feedback from the instructor is extremely important to improving student learning. Positive, constructive feedback motivates learners to value thinking and communicating about the subject and to conduct more personalized research. Feedback also enables the learner/writer to gradually synthesize a broad information set (the event) into a more manageable and realistic perspective by encouraging questions, focus, organization of ideas and experiences, thinking "aloud," and reflecting on thinking, the content of thought, and thinking about thinking (metacognition).

Table 1
Journal Entry Ten Point Scoring System

Assessment Criteria	Individual Points	Team Points
Concepts, principles, ideas in reading or class	3	10
Topic addressed	3	10
Candor revealed	3	10
Professional style	3	10
Reflection on reaction to event	3	10
Total Points	15	50

Individual feedback in the form of written comments are made on journal entries. Copies of the journal entries with the written feedback are photocopied and distributed to all the students in a course so that they can see the journal entries of their peers. Office hours may be used when extended feedback is warranted. When group feedback becomes necessary, the teacher who wishes to communicate to the entire class may make and distribute a journal entry.

Revision may be essential when learner writing is inadequate, the goals of the entry are not clear achieved, or there is an opportunity for learners to further develop their ideas. The author chooses to focus on the latter of these reasons. Revision is the heart of the composing process; the means by which ideas emerge and evolve and meanings are clarified. Learners often see revision, not as an opportunity to develop and improve a piece of writing, but as an indication that they have failed to do it right the first time. Students should be encouraged to review, rethink, and revise their ideas. This can be accomplished by having them exchange drafts of the journal entries.

To assess learners' beliefs about the value of the journal writing assignments as a learning tool and their attitudes towards the assignments, a self-administered survey consisting of 16 seven-point Likert statements were designed. Learners were asked to indicate their grade in the course and solicit open-ended comments about the team journal assignments. To eliminate effects of the classroom setting or the professor's presence on responses, surveys were mailed to each learner's campus or home address. Data collection was delayed until after course grades were reported at the end of the semester in order to which assess the possible effect of the team journal assignments on their performance.

Surveys were sent to 89 of 91 class members for whom addresses were available. Five were undeliverable and 56 surveys (67%) were returned. A comparison of the distributions of course grade (chi-square = 4.7) in the population revealed no significant differences ($p>.10$) providing evidence of the sample's representatives.

RESULTS

Prior to analyzing survey responses, the instrument's reliability as a measure of learners' attitude towards the journal writing assignments and their beliefs about the assignments' value as a learning tool was evaluated. A principles components factor analysis revealed four subscales, which collectively explained 68.4 percent of the variance. Conceptually, two of the subscales represented learners' attitudes towards the assignments and toward the course overall. The remaining two subscales reflected learners' beliefs about assignments' effects on day-to-day class preparation and about their impact on overall learning of course materials. After deleting four items to improve internal homogeneity, the four subscales demonstrated acceptable reliability as indicated by Cronbach's alphas ranging from .75 to .79. The items composing each subscale along with their factor loadings, alphas, and descriptive statistics, are presented in Table 2.

To test the hypothesis that learners' attitudes and beliefs related to the team journal assignments were favorable, subscale means were compared to the scale midpoint of 4. Means significantly greater than the neutral value indicates the effectiveness of the assignments as a learning tool and the favorableness of learners' attitudes toward them. As indicated in Table 2, all four subscale means significantly exceeded the scale midpoint ($p<.001$). The extremely large t-score constitute very strong evidence that learners liked the assignments in particular and the course overall and felt that the assignments enhanced both their daily preparation and their learning.

DISCUSSION

The purpose of this research was to document the effectiveness of team journal as a means to cope with various obstacles to implementing writing across the curriculum. The findings combined with those of previous research provide an incentive for greater utilization of wring to learn in the entrepreneurship curriculum. The nearly infinite number of variations in writing to learn experiences greatly expands the traditional repertoire of business writing assignments in ways that may favorably affect learner outcomes and can actually enhance learners' enthusiasm for a course while making very manageable demands on class and faculty grading time. The results clearly indicate that the learners' attitudes were strongly favorable and that they believed the team journal assignments benefited the acquisition of an ability to apply entrepreneurship knowledge. Of particular interest to learners' perceptions of the assignments as tools to help them learn rather a penalty for failure in stark contrast to the widespread aversion toward many writing assignments such a term paper.

Table 2 Subscale Characteristics				
	Factor Loading	**Coefficient Alpha**	**Scale Mean (SD)**	**t**
Subscale: Course Attitude		.79	5.76 (1.08)	9.8
Out-of-class assignments helped learners make this course more interesting.	.88			
Out-of-class assignments were valuable.	.87			
I wish more classes had assignments like this.	.56			
Subscale: Assignments Attitude		.72	6.29 (.88)	
I would have liked this class better without the journal writing assignment (reverse scored)	-.73			
Out-of-class assignments rewarded me as a member of the learning team.	.86			
I prefer other kinds of writing assignments. (reverse scored).	-.62			
Out-of-class assignments helped me get a better grade in this course.	.62			
Subscale: Preparation		.79	5.72 (1.02)	12.0
Team journal assignments were an incentive to be prepared for class.	.86			
Team journal assignments motivated me to keep up with course reading.	.84			
Subscale: Learning		.75	5.39 (.97)	11.2
Team journal writing helped me understand entrepreneurship concepts	.63			
Abstract ideas were made more concrete through the out-of-class written assignments.	.69			
Team journal assignments and instructor feedback made me feel that the professor cared if I learned something.	.61			

IMPLICATIONS OF JOURNAL WRITING

Disadvantages of Journal Writing and How to Overcome Them

There are two primary disadvantages of adopting a journal writing format. The time required for the instructor to interact with every writer/learner, and the lack of participation by some learners is a disadvantage. When time is a constraint, consider the following time reduction strategies: a) use less frequent entries; b) randomly select a limited number of journal entries to be read each week; c) periodically have learners assess their peers' journals; d) consider shortening the journal entry to one page if the journal entry is longer than one page; e) have all work typed to make it easier to read; f) have learners submit group journal entries to reduce the total number of journals to be read, and g) use e-mail and the Intranet to receive, respond and distribute learners entries.

The journal entry goal for this activity is that writing will become a habit for learners, so that they see the benefits to journal writing daily in their lives. Lack of participation by some learners defies the goal. To encourage participation, consider the following tactics: a) attach grade points; b) set due dates; c) allow group sharing of journal writing (group involvement will increase peer pressure to participate); d) have learners submit group journal entries that document "our" reactions; e) encourage journal entries through office-hour feedback, and f) use e-mail and the Intranet to foster the exchange of ideas and work products among class members.

Advantages of Journal Writing

The advantages of journal writing are numerous. The author’s experience discloses that learners who use journals writing to reflect on entrepreneurship concepts and perceived business practices. Journal writing offers an additional learner assessment tool and provides an extra source of learner feedback. Learners who might not participate in class as much as others are offered an additional channel for expressing their knowledge and demonstrating skill attainment.

Secondly, journal writing, which improves learner-writing skills, can be an effective tool in bridging the gap to critical thinking about how to assess entrepreneurial opportunities. Analysis, synthesis, and assessment are critical higher level thinking skills required of entrepreneurial managers and innovators.

Third, journal writing increases learners' ability to persuade. While many of these skills are generic to many occupations, they are critically important to entrepreneurship. If learners acquire written communication skills, they will be better at articulation, elaboration, and negotiation. Learners engage in a dialogue process in the innovation and entrepreneurial context. The dialogue they experience with the instructor and their peers is similar to conversations they will engage in with enterprise stakeholders. Journal writing will improve their thinking skills as they reflect on their actions and receive feedback to help them improve.

Fourth, journal writing is a good technique for teaching entrepreneurship. The instructor is signaling to learners the importance of writing skills, dialogue, feedback, and relationship building, and is demonstrating the power of using written language to get things done. Journal are a mechanism for language functions and can include elements common to entrepreneurial actions such as memos, e-mail, reports, and business plans.

Fifth, journal writing enables instructors to monitor learner development on a timely basis and to personalize and individualize learning. It is an additional assessment and remediation tool. The teacher gets responses and feedback on the course, is able to detect both individual and common difficulties in learning material, and may gain a new perspective on a topic. The journal process creates a supportive class atmosphere. Additional suggestions for making journal writing work are presented in Exhibit 3.

Exhibit 4
Tips For A Successful Journal Writing Experience

1) Personalize the Journal Entry.	Dialogues are an ongoing conversation and must be about the concerns, goals, processes and values of the participants.
2) Respond Quickly.	Read and respond quickly to learner journals in thoughtful, personal ways. Suggestions for positive comments include praising a specific aspect of the writing, not denying the opinions of learners, writing questions that encourage learners to think, and encouraging learners early by providing non-threatening responses.
3) Provide Clear Instructions.	Model the first journal writing exercise or two; particularly Give concrete examples demonstrating different types of thinking.
4) Use Peer Discussion.	If you use class time for journal writing, consider allowing learners to discuss their entries with a peer or in a peer group.
5) Use e-mail.	You can keep electronic folders of their entries; responses can be freewriting from class time constraints; learners can edit their entries; and dates of entry can be maintained by the system. This also reinforces the use of a common business tool, and it saves paper!
6) Think of Journal Writing.	It is an extra communication channel for learners to communicate as "Office Hours" with you.
7) Use Dialectic Questions.	For these questions, a learner must take a position, argue both sides of the issue, and number the points they made, and conclude with a summary. Use a compare-and-contrast grid in which two theories are compared on a number of relevant dimensions.
8) Keep Your Own Journal.	Complete your own journal writing assignments to anticipate some of the difficulties your learners may have with it.

CONCLUSIONS

This article has presented the educational value of journal writing as a process developing written communication skills in entrepreneurship education. Although writing across the curriculum has been recognized as an effective teaching and learning technique for other disciplines, and recently for business education, little has been written about the effectiveness of journal writing in entrepreneurship programs. A process that has the potential to contribute to team learning by enhancing both writing and thinking skills through the use of written descriptions of, reflection on, and reaction to a wide variety of entrepreneurial events has been proposed. The author's experience suggests that the many benefits of the journal writing process can be attained in a timely manner without any adverse effects on teaching evaluations. More significantly, learners will develop the writing skills they need for future business and entrepreneurial success.

Figure 1
The Journal Writing Process

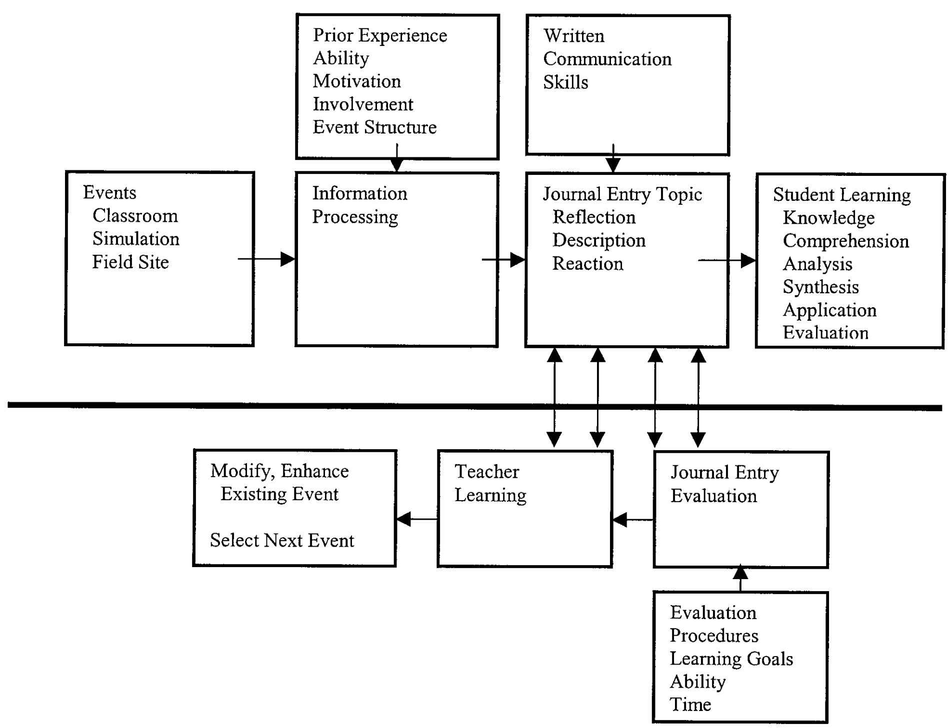

Figure 2 **Journal Writing Outcomes: Processing Ability and Observation Structure**		
Structure of the Observation		
	Low	High
Low	Diverse	Focused
	Journal entries	Journal entries
	Lack of detail	Detail as required
Processing Ability		
High	Diverse	Focused
	Journal entries	Journal entries
	Varied	Focused
	Insightful detail	Insightful detail

REFERENCES

Allport, G. W. (1942). *The Use of Personal Documents in Psychological Science.* New York: Social Science Research Council.

Anderson, W. P. (1982). The use of journal in a human sexuality course, *Teaching in Psychology, 9*, 105-107.

Barr, P. & J. H. Sterrett. (1991). Do business schools prepare or placate students? *Business Forum,* 6-9.

Bion, W. (1959). *Experience in Groups.* New York: Basic Books.

Borasi, R. & B. J. Rose. (1989). Journal writing and mathematics instruction. *Educational Studies in Mathematics, 20,* November, 347-365.

Bowman, R.F. (1983). The personal student journal: Mirror of the mind. *Contemporary Education, 55,* 25-27.

Browning, N. (1986). Journal writing: one assignment does more than improve reading, writing, and thinking. *Journal of Reading, 30,* October, 39-44.

Bruner, J. S. (1966). *On Knowing: Essays for the Left Hand*, Cambridge, MA: Belknap Press of Harvard University.

Chonko, L. B. (1993). Business school education: Some thoughts and recommendations. *Marketing Education Review, 3*(1), 1-9.

Chonko, L. B. & M. J. Caballero. (1991). Marketing madness, or how marketing departments think they're in two places at once when they're not anywhere at all (According to Some), *Journal of Marketing Education, 13,* Spring, 14-25.

Collins, B.B. (1982). Are you a listener? *Journal of Business Education, 58*, 102-103.

Dana, L.P. (1993). An international survey of entrepreneurial education. *Journal of Enterprising Culture, 1*(1), 67-92.

DiSalvo, V. (1980). A summary of the current research identifying communication skills in various organizational contexts, *Communication Education, 28*, 283-290.

Drucker, P. F. (1985). *Innovation and Entrepreneurship*, New York: HarperBusiness, vii.

Duffy, L. (2000). An incredible learning journal. *Canadian Business and Current Affairs, 96*(7). Canadian Nurses Association, August 30-33.

Envick, B. R. & Anderson, R.D. (1995). The development of entrepreneurial competencies. In T.G. Monroy, J. Reichert & Foy (Eds.), *The Art and Science of Entrepreneurship Education:* Volume III, Monroy Educational Systems, Inc. 53-62.

Fulweiler, T. (1980). Journals across the disciplines, *English Journal, 69,* December, 14-19.

Garner, R. M. (1994). An efficient approach to writing across the curriculum: Microthemes in accounting class, *Journal of Education for Business, 69* (4), 211-216.

Grennan, K. F. (1989). The journal in the classroom. *Equity and Excellence, 24*, Fall, 38-40.

Hackbert, P. H. & D. Chapman. (1994). Encouraging international business students to write better in our classes, A paper presented at the Academy of Business Administration International Conference, London, England, June.

Hackbert, P. H. (1994a). Encouraging marketing students to write better in our classes, *Writing Across the Curriculum*, *1*(1). A Biannual Newsletter for the Faculty at National University, Spring, 5.

Hackbert, P. H. (1994b). Encouraging marketing students to write better in our classes, *Writing Across the Curriculum, 1*(2). A Biannual Newsletter for the Faculty at National University, Fall, 3-4.

Hahn, R.& K. Mohrman. (1985). What do managers need to know? *AAHE.*

Hart, N. (1972). Using the personal journal in literature teaching. *Reading Improvement, 9*, 87-89.

Hettich, P. (1990). Journal writing: Old fare or nouvelle cuisine? *Teaching of Psychology, 17,* February, 36-39.

Hisrich, R. D. & M. P. Peters. (1995). *Entrepreneurship,* (3rd Ed.), New York: Irwin, 556-582.

Huot, B. & M. M. Williamson. (1989). The journal as an adjunct for teaching basic writers. *Research and Teaching in Developmental Education*, 6.

Johnson, D.W., Johnson, R.T. & Smith, K.A. (1991). *Cooperative Learning: Increasing College Faculty Instructional Productivity.* Washington, D.C.: George Washington University Press.

Jolley, J. M. & M. L. Mitchell. (1990).Two psychologists' experiences with journals. *Teaching of Psychology, 17,* February, 40-41; Fall, 71-80.

Kerr, P. M., Kang H. P. & B. R. Domazlicky. (1995). Peer grading of essays in a principles of microeconomics course, *Journal of Education for Business, 70* (6), 357-361.

Knight, J. Evans. (1990). Coding journal entries, *Journal of Reading, 34*(1), 42-47.

Kolb, D.A. (1994). *Experiential learning: Experience as the Source of Learning and Development.* Englewood Cliffs, NJ. Prentice Hall.

Latimer, M. (1982). If I'm smarter than joe, why didn't I get the promotion? *Supervision, 44,* 5-7.

Laufer, D. & R. Crosser. (1990). The “Writing-across-the-curriculum” concept in accounting and tax courses, *Journal of Education for Business, 66* (2), 83-87.

Marcoulides, G. A. & M. G. Simkin. (1991). Evaluating student papers: The case for peer review, *Journal of Education for Business, 67* (2), 80-83.

Meister, J.E. & N.L. Reinsch. (1978). Communication training in manufacturing firms, *Communication Education, 27*, 235-44.

Mintzberg, H. (1980). *The Nature of Managerial Work*, Englewood Cliffs, NJ: Prentice-Hall, 38-39.

Myers, W. S. (1991). 10 steps of good writing, *Women in Business, 43*(4), 18-20.

Prideux, G. & Ford, J. (1988). Management development: Competencies, contracts, teams and work-based learning, *Journal of Management Development, 7*(1), 56-68.

Quinn, R.E., Faerman, S.R., Thompson, M.P. & McGrath, M.R.(1990). *Becoming a Master Manager: A Competency Framework,* New York: Wiley.

Russell, D. R. (1991). *Writing in the Academic Disciplines, 1870-1990*. Carbondale, IL: Southern Illinois University Press.

Schein, E. (1978). *Career Dynamics: Matching Individual and Organizational Needs.* Reading, MA.: Addison-Wesley.

Scudder, J. & P. Guinan. (1989). Communication competencies as discriminators of superiors' rating of employee performance, *Journal of Business Communication, 26*(3), Summer, 224.

Snodgrass, S. (1985). Writing as a tool for teaching psychology, *Teaching of Psychology, 12,* 91-94.

Surbeck, E., Eunhye, P. H. & J. E. Moyer. (1991). Assessing reflective responses in journals. *Educational Leadership, 48,* March, p. 25-27.

Terry, W. (1984). A 'forgetting journal' for memory courses, *Teaching of Psychology, 11*,.111-112.

Treece, M. & L. D. Hartman. (1991). *Effective Reports For Managerial Communication*, Boston, MA.: Allyn and Bacon Publishers, 8.

Tuller, L. W. (1994). *Exporting, Importing, and Beyond,* Holbrook, MA: Bob Adams Inc., 11.

Wolvin, A. (1984). Meeting the communication needs of the adult listener. *Communication Education, 33*, 267-271.

Yinger, R. J. & C. M. Clark. (1981). Reflective journal writing: Theory and practice, *Resources in Education Research Report*, ERIC no. ED208411, issue RIE, Mar82, 4.

APPLIED MANUSCRIPTS

Manuscripts which appear in this section of the *Journal of Entrepreneurship Education* represent educational applications. The Editorial Board judges such manuscripts on their ability to provide information of practical value to entrepreneurship educators.

Winner of a Distinguished Research Award in the Academy for Students in Free Enterprise at the 1999 Allied Academies International Conference in Las Vegas, NV, *Using an International Network to Teach Entrepreneurship to Middle School Students* written by Robert L. Wyatt, Drury College and Chris Ragain, Young Entrepreneurs Association provides an illustration of YEA, which is a program created by the Drury College Students in Free Enterprise team. It began as one teacher's idea of an "economics club" for middle school students. The teacher asked the Drury SIFE team what was possible, and YEA was created. Today YEA continues to be an entirely student-run organization devoted to the education of middle school students everywhere.

Winner of a Distinguished Research Award in the Academy for Students in Free Enterprise at the 2000 Allied Academies National Conference in Myrtle Beach, SC is *Entrepreneurship Intervention in a Developing Nation* written by David Moon and Kelly R. Probst, both of Brigham Young University - Hawaii and Denise Woodbury of Weber State University. This paper is a synopsis of a SIFE research project conducted by Brigham Young University-Hawaii on Christmas Island in the nation of Kiribati. The purpose was to identify and then implement elements of entrepreneurship that would prove beneficial to the island peoples and economy.

Winner of a Distinguished Research Award in the Academy for Students in Free Enterprise at the 2000 Allied Academies International Conference in Maui, HI is Curtis L. DeBerg of California State University, Chico for his work entitled, *Entrepreneurship Education for At-Risk Youth: A Partnership between Higher Education and Private Industry.* Dr. DeBerg describes an innovative entrepreneurship education program that was first delivered to 32 at-risk youth during summer 1998, and then expanded in the summer of 1999 to include 50 at-risk youth. The majority of these youth came from Latino or Hmong/Vietnamese ethnic backgrounds.

An Interuniversity/Multidisciplinary Educational Experience For Entrepreneurship and Engineering Students: a Demonstration Project written by Lee A. Graf, Masoud Hemmasi and Michael W. Winchell, all of Illinois State University and John W. Nowak, University of Illinois at Urbana-Champaign describes the establishment of an interuniversity and multidisciplinary student experience supported through an external grant. The process of establishing the program, obtaining funding to support it, the specific student projects involved, and benefits that were derived by both the students and participating companies also are discussed.

Café Americana is a case study written by Dianne H. B. Welsh of John Carroll University and Lori Finn, Marie Miller, Eric Lunden, Michael Beckham, Sonomi Takahashi, and Jason Hansen, all of Eastern Washington University. This study concerns employee theft and employee management issues in an entrepreneurial-owned and operated restaurant. It requires the student to analyze the issue of employee theft and termination, while considering the legal, moral, management and economic implications on a business. An Instructors' Note is also included for the efficacy of teaching this case.

USING AN INTERNATIONAL NETWORK TO TEACH ENTREPRENEURSHIP TO MIDDLE SCHOOL STUDENTS

Robert L. Wyatt, Drury College
Chris Ragain, Young Entrepreneurs Association

ABSTRACT

YEA is a program created by the Drury College Students in Free Enterprise team. SIFE is an organization of college students from colleges around the world devoted to educating and preserving the concepts of free enterprise. YEA began as one teacher's idea of an "economics club" for middle school students. The teacher asked the Drury SIFE team what was possible, and YEA was created. Today YEA continues to be an entirely student-run organization devoted to the education of middle school students everywhere.

USING AN INTERNATIONAL NETWORK TO TEACH ENTREPRENEURSHIP TO MIDDLE SCHOOL STUDENTS

One of the most recent advancements in the development of learning tools and programs is Web-based learning. Teachers everyday are incorporating the Internet and the possibilities it provides to enhance their ability to effectively teach ideas and concepts in every discipline. Economics is a popular topic for Internet web sites and Web-based curriculums are being used effectively in many forums. YEA, Young Entrepreneurs Association is a program that incorporates the effective approaches to teaching economics and combines them with the distribution capabilities of the Internet to create a comprehensive, free resource for middle school teachers and students everywhere.

Shuell wrote in "Cognitive Conceptions of Learning", that participation is crucial to learning that emphasizes understanding. W.E. Becker confirms that teachers need to use a variety of resources to be effective. His research shows that students who collaborate with other students on subjects increase both student performance and interest in further study.

Technology has been a questionable resource for educators. Sosin's review of the literature found that there is no significant difference in the learning outcomes of students who use technology and those taught in a traditional setting. But using the Internet in educational environments is still in its infancy and to truly be effective educators must not only make the Internet available to economics students, but they must incorporate its data and resources into a comprehensive curriculum for students.

Teaching economics to Americas youth is not of questionable importance. Mariotti (1995) believes business-related lessons are far more effective and well received than traditional lessons, claiming "practical economic training is the only kind of education with a chance of leading to self-improvement. Sautter (1996) agrees, "urging this type of instruction thus preventing students from rejecting the world of the school which seems to have so little relevance to their real lives." YEA is dedicated to providing teachers and students resources about free enterprise, market economics, the world of business, and entrepreneurship.

YEA is a program created by the Drury College Students in Free Enterprise team. SIFE is an organization of college students from colleges around the world devoted to educating and preserving the concepts of free enterprise. YEA began as one teachers idea of an "economics club" for middle school students. The teacher asked the Drury SIFE team what was possible, and YEA was created. Today YEA continues to be an entirely student-run organization devoted to the education of middle school students everywhere.

YEA's mission is to teach the fundamentals of free enterprise and economics by offering educators free, comprehensive educational materials including curricula, supplemental worksheets, lesson plans, activity ideas, chat rooms, and Internet access with password protection.

YEA targets classrooms of 6th and 7th grade students and their teachers. YEA uses the Internet to reach a broad spectrum of locations including schools in 5 countries and 42 states. Today YEA reaches 200 schools worldwide crossing the boundaries of distance and language.

YEA is a compilation of various lesson plans about economics and free-enterprise. Each curriculum is tested for effectiveness using special YEA test schools and their classes. Results of pre and post testing show that student knowledge increased in each area covered in the curriculum. Initial results are indeed encouraging, causing the editor of Entrepreneur magazine to proclaim that YEA is the "wave of the future" in economic education. Additionally, our organization is one of nine startup firms showcased in the "Technology & Learning" Incubator section at it's national conference to he held later this year.

Teachers initially complete a membership packet and are given passwords that allow them to navigate the web-site. At the site, teachers can download proven lesson plans on ideas as simple as supply and demand to as complex as the impact of inflation and competition on equilibrium pricing. For teachers without Internet access we provide printed lesson plans available from the YEA toll-free number.

Students are also given passwords that allow them to navigate the student sections of the site and to participate in special activities and contests. We have a variety of activities for students ranging from essay contests to a YEA cheer contest where participating classes create a YEA cheer and video tape their class performing the cheer. All contests come with a variety of prizes for individuals and entire classes.

The goal of YEA is not only to provide curriculums to teachers and activities to students, but to encourage interest in the topic of economics in middle school students that will encourage further study. To do this YEA has expanded upon it's student site to include a section where the student can facilitate his or her own learning and take responsibility for his or her own education. The section allows students to download topics at school or at home and research them using an interactive lesson for each topic. This will allow students to initiate their own development and will also allow students to involve themselves in economic issues in a setting outside the classroom.

In addition to interactive curriculums, YEA has linked each school with one another. Chat rooms and discussion boards are available to facilitate communication with sister schools. Results show that this online avenue is a very promising aspect of the program and is used effectively to share ideas and contest results. Also, students can use the discussion boards on their own time to talk to friends from another school or to find help from other schools or our staff.

The newest program YEA has initiated is the Business Plan Competition. YEA has created a set of lesson plans that educate classes about steps needed in creating a business. These lessons build off each other and incorporate many ideas of economics in every plan. Teachers will incorporate these plans in their curriculums in the spring semester. During each lesson, students will build on the plan of their own business. After the set of lessons is complete, each class will have a business plan for a unique business.

YEA will then conduct five regional conferences in five different cities throughout the United States. At each conference, professional educators will speak on topics about improving economics education. Also, teachers will present their classes business plans. Each plan will be judged by local business leaders and a set of winners will be declared for each conference. The winners will then be invited to compete at the national YEA conference in Springfield, MO to compete in the national business plan competition. The winners will then be awarded funds to start that business in their local community.

YEA will continue to use the Internet to provide material and activities to middle school classes throughout the world. As more and more teachers begin to utilize the Internet in the classroom, YEA will create lesson plans that provide comprehensive information about every topic economics offers. The web provides unparalleled access to data, current news, economic reports, and business information. There is no consensus on whether the web will revitalize the methods used to educate economics concepts. But YEA hopes to provide an initial step in combining the World Wide Web and Economics in the classroom. It is likely that Web-based learning will grow and the challenge that we face in the future is how to constantly improve the ways in which we use the Web to provide students a useful and accessible resource for economics education.

REFERENCES

Boldt, D. J. & Gustafson, L.V. (1999). Integrating the internet in the classroom. *College Student Journal*, *32* (3), 405-416.

Simkins, S. P. & Sosin, K. (1999). Promoting active-student learning using the world wide web in economics courses, *Journal of Economic Education*, *30*(3), 278-292.

Vachris, M. A. & Brendon, G. (1999). Teaching principles of economics without “Chalk and Talk”: The experience of CNU Online, *Journal of Economic Education*, *30*(3), 292-308.

ENTREPRENEURSHIP INTERVENTION IN A DEVELOPING NATION

David Moon, Brigham Young University - Hawaii
Kelly R. Probst, Brigham Young University - Hawaii
Denise Woodbury, Weber State University

ABSTRACT

This paper is a synopsis of a SIFE research project conducted by Brigham Young University-Hawaii on Christmas Island in the nation of Kiribati. The purpose was to identify and then implement elements of entrepreneurship that would prove beneficial to the island peoples and economy. In gathering information on the current state of economy, the researchers have found that the islanders have an intuitive understanding of business arising from life in a resource-scarce environment. Another finding was that specific business skills, such as accurate record keeping, and inventory management, will enable business owners in developing countries to have more direct control over their profit potential than they are currently capable.

INTRODUCTION

As the 21st century unfolds and the world shrinks under the increasing pressures of globalization, entrepreneurship has evolved as a heralding theme. Its influence has reached even the remotest of tropical paradises where emerging opportunities and increased competition are forcing current and prospective business owners to retool in order to survive.

Christmas Island is the world's largest atoll located 1300 miles south of Hawaii. It is a world class fishing attraction and one of the islands in the Republic of Kiribati. There are only 5,000 permanent inhabitants on Christmas Island. However, even with this small population, the finite natural resources of the atoll are becoming increasingly scarce, causing the people to turn toward more contemporary forms of subsistence. Scarcity of resources combined with improvements in education, but static living conditions and limited employment have created mounting pressure on business owners and the government to secure new outlets for talent, satisfy increased demand for material comforts, and decrease unemployment. The remoteness of the atoll limits the availability of external sources to satisfy growing demand. Therefore, current operations are being forced to eliminate waste and maximize resource utility.

Another variable increasing the complexity of the economy in Kiribati is the semi-socialist government. Often prices are fixed and therefore subsidized on such things as medical care, flour, sugar, etc. Major factors of the economy are also controlled by the government, including tourism, land management, and commercial fishing. This lends to increased bureaucracy and monopolistic conditions. Businesses that do exist independent of the government are small and include retail merchandisers, small-scale fishing, bakeries, and local style restaurants.

RESEARCH QUESTION

The purpose of this research is to investigate the application of a Westernized approach to business in the Christmas Island setting, where most prices are controlled and competition is limited. Classes in basic entrepreneurial methods, including finance, marketing, and operations, could potentially provide skills and ideas to current and prospective business owners, improving their competitive positions and enlarging their contribution to the economy.

METHODOLOGY

The research was conducted around a two-phase methodology. The first phase was a preparation and educational phase-establishing a common ground with the people and providing a general knowledge of business vocabulary and concepts. This phase was to be conducted during an entire week consisting of daylong seminars.

The second phase was to focus the attention of participants toward their "bottom line," by emphasizing the importance of inventory management, and profit margin analysis. At the beginning of the week, two sessions of day-long seminars were held. The balance of the week was used to consult in the actual place of business, with each of the participants individually. This consulting time allowed business owners to ask questions, for researchers to offer advice, and an opportunity to assess the success of the project.

To customize the materials that would be taught, researchers developed a curriculum independent of any particular text. This allowed teaching materials to be assembled according to the applicability to the Kiribati economy. To assure that non-native English speakers would understand the material, researchers taught a sample of the teaching material in English-as-a-second- language classes at Brigham Young University-Hawaii. Researchers also consulted with students from Kiribati who are attending the University. To further guarantee success across the communication barrier a Kiribati translator was hired during each of the phases.

PHASE ONE

As part of the preparation for the first phase of the project, an interview and luncheon with the Honorable Minister of Christmas, Jim Tax and the Permanent Secretary, Michaere Baronico, was arranged while they were visiting Honolulu. From this interview, researchers were able to obtain government consent to conduct the project on Christmas Island. Also as direct benefit of the interview, a teaching hall was reserved and the details of a public announcement were confirmed.

Phase one was conducted between November 23, 1999, and November 30, 1999. Seminars were given to 49 participants of whom 37 were small business owners. According to estimates of the government, those 37 people represented over half of the small businesses on the island. Content of the seminars included basics in finance, marketing, operations, and business proposals. Pre-tests and post-tests were administered and the scores improved by 54 percentage points from an average of 32% on a 5 question pre-test to an average of 86% on the same 5 question post-test.

The first phase had two functions. One important function was to give participants an initial level of understanding, to give them the tools necessary to communicate in a business environment. Equally important was the goodwill function. The project created trust with the business owners so that they might be open to suggestions for improving their businesses. The people needed to know that the project was to help them to help themselves. Phase one was successful. A common level of understanding was attained through the seminars, and trust was built with business owners who were then anxious to participate in phase two.

PHASE TWO

Phase two began February 15, 2000 and lasted for a week. Similar to the duality of the first phase, the second phase had two important functions. One function was to provide focused training on the importance of inventory management and profit margin analysis. This was achieved by providing each participant with a notebook containing worksheets that when followed, could lead a business owner through a pseudo-perpetual inventory system. This system allowed them to keep a running tally of their inventory, purchases, cost of goods sold, and cash on hand. Pre- and post-tests were administered to measure the effectiveness of the seminars in teaching how to use the worksheets and the concepts they represented. Participants had an average test score increase from 54% on the advanced pre-test to 92% on the same post-test.

The primary function of phase two was the climax of the entire project. Researchers visited each proprietor's establishment to clarify any confusion remaining from the two series of the seminars and to evaluate how effectively the material taught was being applied. In addition, a survey was taken to see how well a-Western" approach to business would fit in the Kiribati culture.

Phase two was also a success. As researchers visited each of the participants it became obvious that the material taught was not only understood, but was also being implemented. Participants could see the value of these moderately complex business practices and were making them work for them. During individual consultation, participants asked advice for improving different aspects of their businesses. It was an opportunity for participants to tap into an outside perspective, and it was an opportunity for researchers to gather information concerning the current business culture of Christmas Island proprietors.

One participant, Eritabeta Taiabi, stated, "We want to build our business bigger so that our children can have a better life... so that we can afford to send them to school. I do my business in my shop during the day and I do my business in my home any time that there is work so that they can have more life... a better life. Your teaching has given me away to make my business better, to make for my children a better life. Your teaching has given me a way to know how to run my business."

THE SURVEY RESULTS

The survey was designed to expose cultural biases that affect the way business owners make decisions. This knowledge is important in determining the long-term effectiveness of the entrepreneurial training in Christmas and the value of similar training if conducted in countries with a similar culture.

Culture often plays a very central role in the life of a Pacific Islander. This is particularly evident in the older generations that are not as entrepreneur friendly. The sense of property as belonging to the community was devastating to the attempts of any one person to accumulate productive assets. When a family member or friend desired the property of another, it was culturally necessary to make that property a gift.. This sense of shared belongings has rapidly been transformed as younger generations find ways to balance culture with successful business practices. This community spirit is alive, but has begun to be distinguished from the business environment. Proprietors express concern for their neighbors whom they consider extended family. They are willing to advise and lend service, but only to the point that it begins to severely threaten the growth potential of business. To ease some of the pressure exerted in this culture, many individuals hide their assets so that family and friends don't begin to covet their belongings.

A major deviation from this code of business is the extension of non-secured credit. Proprietors occasionally allow purchases on credit to persons of the community with whom they are familiar. Such a practice, although it appears an unwise business practice, is unavoidable. Goods may arrive and be available at opportunities that do not coincide with payday. What's more, not extending credit even to those with a poor credit history would have a devastating effect on the reputation of the proprietor and could lead to ostracism in such a small community.

The Kiribati people are ingenious in finding ways to adapt arriving technology with their local lifestyles. They are quick to learn how to maintain and repair technology with limited resources. They have extremely limited access to recently evolving, training-intensive, technologies such as in the computer industry. The average education for business owners was "form 5," equivalent to the 11th grade. Although the level and quality of education is increasing for younger generations, it is still rudimentary with limited exposure to computers. Of the owners interviewed, 12.5% stated they were in business primarily for the money, while the remaining 87.5% indicated that their reasons ranged from enjoying business to trying to improve their children's futures.

CONCLUSION AND FUTURE DIRECTIONS

The educational intervention on Christmas Island has made a difference in the way that small businesses operate. The climate of the culture, the education of the people, and thorough preparation of teaching materials made this possible.

Several facets of the culture have evolved in recent years to make such an intervention effective. The first was the evolution of a distinction between business assets and shareable resources. The people have begun to see this as necessary for the growth of the economy. Another factor preparing the people was the isolation of island life. Immediate scarcity is the most efficient teacher of economic lessons. The Kiribati people understand competition for resources and are continuously searching for ways to improve their competitive position.

With an appetite for a competitive edge, the people of Kiribati are aware of the advantages that both formal and informal education, can provide. As the average education level of business owners was equivalent to the eleventh grade, the seminar style classes provided were not difficult to adjust to. Since most Kiribati speak only limited English, having a translator was an assurance that each participant would be able to take full advantage of the program.

The program was designed to be useful to small business in developing countries. Through the use of pre-tests and post-tests, it was determined that participants did understand the material. Also, as each business was visited, researches could answer any questions and offer suggestions to improve business operations, marketing, etc. Because of skills received during both phases of this project, business owners will be able to improve their competitive position and increase their contribution to their economy and community. They will be more competitive, because owners can more effectively manage their inventory, and analyze their profit margins. This will allow them to respond more rapidly to customer demands. Collectively, improving competition because of increased education should have a positive effect on the entire Christmas Island economy.

Because of the success of the Christmas Island project, future projects of a similar nature will be conducted. Well-designed programs which teach the fundamentals of entrepreneurship should be successful in developing countries, where the people are eager to take control of their futures.

REFERENCES

Skabelund, G., ed. (1999). *Culturegrams: The nations around us,* "Republic of Kiribati," Brigham Young University, Chicago, Fergusson Publishing, 157160.

Teiaki, E. (2000, February 2 1). Personal interview.

Figure One	
CATEGORY	**DATA**
Age	39.25 years
Gender	34% male 66% female
Number of businesses currently owned and operating	Mean = 1.75 High = 4 Low= I
Number of years of experience before starting this business	Mean 2.69 years High 13 years Low= 0 years
Years in current business years	Mean 2.25 years High 10 years Low= 0.5 years
Have alternative incomes	Mean = 50%
Ownership Structure	Sole proprietorships - 75% Partnerships - 25%
Type of business	Service industry - 18.75% Agriculture/livestock - 2.5% Retail merchandise - 68.75%
Hours worked per week	Mean 41.4 hours High 77 hours Low= 0 hours
Employees	Mean = 3.125 persons High = 8 persons Low= 0 persons (i.e., self-employed)
Originally funded by loans	56.25%
Currently debt free	87.5%

ENTREPRENEURSHIP EDUCATION FOR AT-RISK YOUTH: A PARTNERSHIP BETWEEN HIGHER EDUCATION AND PRIVATE INDUSTRY

Curtis L. DeBerg, California State University, Chico

ABSTRACT

This paper describes an innovative entrepreneurship education program that was first delivered to 32 at-risk youth during summer 1998, and then expanded in the summer of 1999 to include 50 at-risk youth. The majority of these youth came from Latino or Hmong/Vietnamese ethnic backgrounds. Four features make this program unique. First, a team of university students, who are members of a group called Students in Free Enterprise (SIFE), taught the lessons. Second, the program integrates business, economic and computer literacy lessons that emphasize entrepreneurship. Third, the SIFE students helped their proteges author business plans and deliver an oral presentation to business leaders. Fourth, the program represents collaboration between California State University, Chico and the county's Private Industry Council. Results indicate that the students increased their knowledge of business and economic concepts, they improved their computer literacy skills, and their attitudes about the program were overwhelmingly positive.

INTRODUCTION

There are currently three major problems with entrepreneurship education at the high school level: lack of formal education about business, an overall system of public education that inadequately addresses the needs demanded by the current work environment, and a lack of role models. According to a Gallup survey, even though 70% of high school students want to start their own business, more than half acknowledged that their understanding of business issues is poor.

> The sad fact is that most children today receive no formal education about business and free enterprise. Our schools aren't required to teach it and most teachers don't understand it themselves. Unless we start today to correct this situation, the free enterprise system will continue to be at risk tomorrow. (National Federation of Independent Business, 1995)

Add to this scenario the following fact: seven in 10 American business executives believe the nation's public educational system is incapable of providing them with a sufficient pool of well-educated potential employees (Raine, 1997). The polling group Yankelovich Partners in

Washington, D.C. reported this finding in a national survey of 314 executives. The executives found enormous frustration with American education. Without reform, they fear the forces of global economic competition and increased reliance on technology will only make matters worse.

Fifty percent said high school is the weakest part of the public education system. Eighty percent said local school systems should institute academic programs that reflect the employment needs of local businesses, and they feel the focus should not be limited to improving the quality of *academic* education. Eighty-two percent think more attention should be paid to *vocational* education and trade training.

Finally, research in entrepreneurship area has shown that the presence of a role model is critical to entrepreneurship aspirations and achievement (Greene & Pryde, 1990). In a national survey of young adults (Development Associates, 1993), there was a strong relationship between the expectation of owning a business in the future and having a role model, such as a parent, family member or friend. This is especially true for minority students. In a recent survey of 1,008 black youth ages 14 to 19 (Walstad &Kourilsky, 1998), responses indicated that these youth—more so than white youth—strongly want to start their own businesses.

This paper describes an entrepreneurship education program that addresses the above problems, targeting youth between the ages of 16 and 21. The program was delivered to a class 32 at-risk youth during the summer of 1998, and a new class of 50 at-risk youth during the summer of 1999. Four features make this program unique. First, a well-trained team of university students, who are members of a group called Students in Free Enterprise (SIFE), taught a series of lessons called "Turning Risk into Success." Second, the program integrated business, economic and computer literacy lessons specifically focused on entrepreneurship. Third, the SIFE students helped their proteges author business plans and deliver a *competitive*, oral presentation to local business leaders. Fourth, the program represented an exciting collaboration between California State University, Chico and Butte County. Results indicate that the students increased their knowledge of business and economic concepts, and student attitudes about the program were positive.

This program has potential to be a national model for partnerships among the university, business and K-12 communities, for two reasons. First, it breaks new ground by linking university students to younger students from economically disadvantaged backgrounds. Second, the students are part of the longstanding non-profit educational SIFE organization. Thus, it has a network as an automatic, natural source for dissemination.

The remaining five sections of the paper are organized as follows: Section II provides a background on how the program was created. Section III describes the entrepreneurship education program in detail, and provides empirical and descriptive results. Section IV discusses the future of the program in Butte County. Finally, Section V provides concluding comments.

BACKGROUND

The CSU, Chico SIFE team has been an official student organization since fall of 1993. The author has served at its faculty adviser all seven years. SIFE is a non-profit educational organization that works in partnership with business and higher education, providing college students with opportunities to make a difference by practicing and teaching the principles of free enterprise. According to the official SIFE web page:

> SIFE is a nonprofit organization that gives students the tools to learn the free enterprise system in a real working situation. SIFE challenges students on more than 700 college campuses worldwide to take what they're learning in the classroom and use their knowledge to better their communities. Guided by faculty advisors who are named Sam M. Walton Free Enterprise Fellows in honor of the late Wal-Mart founder, SIFE Teams establish a variety of community outreach programs that teach free enterprise. For example, they teach concepts such as budgeting, accounting and supply and demand. They help budding entrepreneurs get their plans off the ground and mentor at-risk students, inspiring them to reach for their dreams. (http://www.sife.org)

Thus, having university students complete community outreach projects related to entrepreneurship and free enterprise is not a new idea. What makes the Chico State team unique, however, has been its emphasis on completing comprehensive entrepreneurship education projects in the public schools. For example, prior to the 1997/98 academic year, the Chico team focused its attention on "Using Math to Make Business Decisions." This semester-long series of lessons, which were created by the author with consultation from participating teachers and SIFE students, sent teams of university students to local middle schools to help at-risk math students become more receptive to applied math and technology. Over 1,300 middle school students participated in the program

Starting in 1997/98, however, the team shifted its focus to high school students, for three reasons. First, the college students reported that they could relate better to high school students. Second, high school teachers in community high schools sought out SIFE's services. The third reason relates to California's welfare-to-work legislation (called CALWORKS). With the new laws, there was a much more pressing need in our county to provide workplace literacy skills for those students who, in all likelihood, were not going to college.

The author then revised the middle school lessons during summer 1997. Starting fall 1997, a new series of lessons were rolled out to Ridgeview High School, a continuation school in nearby Magalia, California. Three SIFE students were hired by the Butte County Private Industry Council (PIC) to team-teach a class of 21 students (the majority of whom were teen mothers). Each Monday, Wednesday, and Friday, from September through March, the SIFE students taught the lessons in one-hour sessions. The lessons were aptly called “Ridgeview SIFE: Turning Risk into Success.”

THE ENTREPRENEURSHIP PROGRAM: DETAILS AND ASSESSMENT

Based on the success of the Ridgeview project, the Butte County Private Industry Council (PIC) expressed a desire for SIFE to become part of its Summer Youth Employment Program (SYP).

Before describing the details of the program, a description of PIC, SYP and Butte County is provided.

PIC and SYP

PIC is a private non-profit agency in Butte County that is steered by a governing board made up of representatives from local businesses, education, the state of California's Employment Development Department (EDD), and the Department of Rehabilitation. It is funded by Job Training Partnership Act (JTPA), which is administered by the U.S. Department of Labor.

The Youth Program Coordinator for PIC, Kathy Lowdermilk, assessed the Ridgeview project. Based on her findings, she contacted the author about creating a summer program using a revised version of the Ridgeview lesson plans to be used for a summer "at-risk youth/employment program." The revised lessons, she indicated, would be enhanced if they contained a stronger computer literacy component.

Butte County

Butte County is located in Northern California, three hours northeast of the San Francisco Bay Area, four hours northwest of Lake Tahoe and 90 miles north of Sacramento. The county is the size of Delaware, and the largest city, Chico, has an urban area population of approximately 100,000. The county seat is Oroville, 20 miles southeast of Chico. Butte County is not as fortunate as most counties in California. It has high school dropout rates of 20-30% (depending on the selected group); it has the third highest teen pregnancy out of California’s 58 Counties; the family median income is 30% lower ($28,300) than the state average; and the poverty rate for targeted youth exceeds 34%. Therefore, CSU, Chico is in a key position to help our youth to thrive in both the educational setting and, eventually, the workplace.

SUMMER SIFE: A MODEL PROGRAM

Lowdermilk and the author met several times during spring of 1998 to lay the groundwork for the summer program, called "Summer SIFE: Turning Risk into Success." The author became the project director of a grant from PIC to the university. The author, working closely with Lowdermilk, then revised the Ridgeview lessons. These lessons required extensive revamping, because the Ridgeview lessons had been delivered three days a week over 16 weeks, for one hour each session. The summer lessons, on the other hand, needed to be written for a 40-day, consecutive time period, with 3.5 hours per session.

In May 1998, six SIFE students were recruited from the 1997/98 SIFE team. During the week of June 8-12, the author trained the students, and the program officially began June 15. Meanwhile, Lowdermilk recruited eligible youth to the program and arranged for the program sites in each city. Additional details of the program included:

- **Three Sites**: Chico, Paradise, and Gridley (all in Butte County). Each site contained a computer lab with at least 10 Pentium computers.
- **Number of Youth at Each Site**: Between four to eight students were assigned to each class.
- **Student Profile**: To be eligible for the program, students needed to be 16-21 years old, and come from a family with a minimum income level.
- **Number of Summer SIFE Classes**: There were a total of six classes: two in Chico (one in the morning and one in the afternoon). The same was true in Gridley and Paradise. The morning sessions were held between 8:00-11:30; the afternoon sessions were conducted between 1:00-4:30.
- **Employment Experience**: The students were employed for 7.5 hours each day. When not in the Summer SIFE class, they were assigned a work site at a local non-profit agency. The goal was each day was to combine 4 hours of employment experience with 3.5 hours in the Summer SIFE program
- **SIFE Mentors/Instructors at Each Site**: Working as a team, two SIFE students were assigned to each site.
- **Compensation from PIC**: PIC funds were used to pay the participating students the minimum wage of $5.75 an hour; SIFE instructors were paid $8.65 per hour. The project director was paid through the CSU, Chico Office of Research and Sponsored Projects by a grant from PIC.
- **Oral Presentation:** At the end of the program, each class came to Chico to make an oral presentation of their hypothetical business plans to a panel of judges. These judges included entrepreneurs, business leaders and academic leaders. Many of these judges also sit on the SIFE team's Business Advisory Board. The best business plans/presentations were awarded prize money from the CSU, Chico SIFE team.

Based on the success of the program (see the next section for assessment results), the program was expanded in summer 1999 to include four sites (the city of Oroville was added), making a total of eight classes rather than six that was supported by PIC. Nine SIFE mentors were hired: two were assigned to each of the four cities, and one student was hired to supervise all four sites (two of the nine mentors, it should be noted, were ethnic minorities).

Upon learning about the program, the principal of North County Community School (NCCS), Mr. Andy Rimbault, asked if his Chico school could participate. He agreed to fund one additional SIFE student for the summer. Students enrolled in a community school, like North County, are at-risk of going to juvenile hall or dropping out of school. The immediate goal of community schools is to get students back into the routine of regular school attendance and study habits, while encouraging acceptable behavior with the ultimate goal of preparing them for the workforce or higher education. By adding NCCS to the program, there were a total of nine classes taught by ten SIFE mentors/instructors in summer 1999.

The ethnic diversity of the group of students is noteworthy. Of the 50 students enrolled in the program, 14 are of Latino ethnicity, 18 are of Hmong/Vietnamese, one student was of East Indian ethnicity, and the remaining 17 are Caucasian.

Figure 1 provides a list of the entrepreneurship lessons. Five main aspects of the lessons set them apart from extant curricular materials. First, business, economics, computer, math, writing, and presentation skills were *integrated* throughout the lessons. For example, students constructed spreadsheets in order to complete pro forma financial statements that were inserted into their business plans.

Second, the lessons were designed to move away from the traditional rule-based, procedure-oriented mode to a more dynamic, interactive learning mode. The new mode views the learner as an active information processor who uses data, exercises judgments, evaluates risk, and solves real-world problems. Third, the project culminated in a group "business plan" that was presented to a panel of judges that consists of university business students and faculty, business leaders, and representatives from PIC.

Fourth, the program emphasized computer skills. Throughout the program, students were taught the following computer skills: word processing, spreadsheets, presentation software, e-mail, digital imaging, electronic conferencing on the Internet, and using the World-Wide Web as a research tool.

Last, outcomes assessment was a key component. Two "knowledge" tests were administered to students on a pre- and post-test basis. The first test was a 10-question instrument created by the National Council on Economic Education, founded in 1949 to promote the teaching of sound economics to school children. The NCEE claims that every graduating high school student should be able to answer every question correctly (in 1992 American adults scored an average of 39%; college graduates scored 51%). This test measures economic literacy gain. The second test was a 15-question business literacy quiz that was constructed by the author.

In addition to the economic and business literacy quizzes, an attitude survey was administered at the end of the program. The instrument, which contained 29 questions, asked students about their assessment of various lessons, use of active learning techniques, evaluation of certain exercises/activities, effectiveness of the mentors, and various qualitative factors. The next section provides the results of our assessment procedures.

OUTCOMES ASSESSMENT RESULTS

Knowledge Tests

The methodology we used to test for increased knowledge of business and computer literacy is called the *McNemar test*. This is a non-parametric test of distributions by categories of two related samples. This test is appropriate when the researcher wants to analyze category changes by individuals following some event (Siegal, 1956). For our Summer SIFE project, we wanted to determine whether our business and economic literacy curriculum, delivered by pairs of university mentors, was effective. In particular, we wanted to know if there was a change in the number of students correctly answering the "business and economic literacy" questions after the summer was over. Appendix B describes the steps required to do this.

Table 1 provides results of the (1) economics literacy quiz and the (2) business literacy quiz for each summer. Panel A provides results of the 10-question economics literacy quiz. Here, in summer 1998, the students showed significant improvement on six of the 10 questions using a .05 alpha level. Using a .10 alpha level, significant improvement is shown for three additional questions. In summer 1999, the students showed significant improvement on seven of the 10 questions using a .05 alpha level.

Panel B presents the results of the 15-question business literacy quiz. In summer 1998, we see that the students performed significantly better on eight of the 15 questions, using an alpha level of .05. If one sets the alpha level to .10, three additional questions would be deemed significant. In summer 1998, we see that the students performed significantly better on 10 of the 15 questions, using an alpha level of .05. If one sets the alpha level to .10, one additional question would be deemed significant.

Thus, the overall results show that, *as a group*, significant improvement (alpha = .10) occurred on 20 of the 25 questions in summer 1998, and 18 of 25 questions in summer 1999.

Table 2, Panel A, provides results on the exam by *individual* student for summer 1998, while Panel B provides results for summer 1999. Referring to Panel A, note that the average score on the 25-question pre-test was 34.0%. Compare this to the average score on the post-test of 72.3%. In absolute terms, this is an average percentage increase of 35.3%.

Next, turn to Table 2, Panel B. The average score on the 25-question pre-test was 35.8%. Compare this to the average score on the post-test of 64.3%. In absolute terms, this is an average percentage increase of 28.5%.

Looking at the breakdown between the economic literacy exam (Panel C) and business literacy exam (Panel D), one can see another interesting finding. On the pre-test of economic literacy, students scored an average of 37.7%. On the post-test, they scored an average of 69.4%. The absolute gain of 31.7% is encouraging, especially when one considers that college graduates scored only 51% on this same exam.

Similar results are obtained for the business literacy exam. On the pre-test, students scored an average of 33.7%. On the post-test, they scored an average of 62.4%, showing an absolute gain is 28.7%.

Based on our results, it is fair to conclude that the Summer SIFE program is successful, as far as knowledge gains. Next, we turn to attitudes.

Attitudes Test

Table 3 provides a copy of the attitudes survey, along with the average score for each question. The survey contains five sections:

1. overall attitudes about the quality of the lessons in teaching about business, ethics, technology, communication skills and entrepreneurship (Panel A);
2. active learning (Panel B);
3. evaluation of specific exercises and activities (Panel C);
4. importance of various tasks involving computers and group assignments (Panel D); and
5. qualitative factors about how the program affected the students' future (Panel E).

Overall Attitudes about Quality of the Lessons – In summer 1998, all nine questions were rated between the effective to excellent scales. The two most positive responses related to how well the SIFE students taught how businesses operate (4.42), and how successful the SIFE students were in teaching the skills and motivation needed to succeed in a global marketplace (4.39). There was a three-way tie for third place: how well the team taught the concept of profit and loss; how well the team taught business ethics; and how well the SIFE students taught the meaning of entrepreneurship (4.3). Compared to the results in 1998, 1999 results are even more encouraging. Once again, all nine questions were rated between effective to excellent. However, two observations should be made. First, all but two of the questions rated higher in 1999 than in 1998, and three of the questions rated above 4.5. These questions are: *Question 4*: How well did the SIFE students teach the concept of profit and loss (4.56), *Question 8:* How well were communication skills integrated throughout the lessons (4.62), and *Question 9:* How well did the SIFE students teach the meaning of entrepreneurship (4.62).

Active Learning –Table 3, Panel B shows that students clearly enjoyed completing the computer assignments above the three other active learning “modes” in summer 1998, ranking it 4.25 on a scale of one to five. Again, however, compare the results in 1998 to 1999. All four active learning activities rated well above 4.00, with the lowest score of 4.36 higher than the highest score in 1998. This indicates that the program improved from 1998 to 1999, and the students enjoyed the active learning activities much more. Surprisingly, the students rated Question 13, oral presentations, as 4.69.

Evaluation of Exercises/Activities – Table 3, Panel C lists several exercises and activities that were included among the lessons. Focusing on summer 1999, note that the three favorite activities included: (1) using the Internet to do research (22 votes ranking first, second, or third), (2) starting their own class business (20 votes), and (3) making oral presentation with PowerPoint (18 votes). The three least favorite activities were: (1) preparation of spreadsheets to make financial statements (17 votes ranking first, second, or third), (2) writing an essay about business ethics (16 votes) and (3) completing a civics/democracy exercise designed to help students understand the importance of voting (13 votes).

Importance of Various Computer/Group Tasks Taught by the SIFE Mentors – Turning to Panel D for summer 1998, note that all but one of the questions rated above a 4 on a five-point scale. The students rated consulting with SIFE students during group assignments as a 4.42. Next, they rated computer training quite highly: word processing (4.35), spreadsheets (4.33), PowerPoint (4.29), and World Wide Web skills (4.21). Comparing this to 1999, we once again see marked improvement. Scores for all seven questions improved. The greatest improvement occurred with

Question 22, where students were asked to rate how well their SIFE mentors/instructors provided responses to student inquiries via e-mail and phone. The score went from 3.90 to 4.33, indicating that the 1999 group of SIFE instructors were much more accessible.

Qualitative Factors – Table 3, Panel E provides the results of seven qualitative indicators. Turning first to the 1998 results, the most striking finding here is that, on a three-point scale, the average response was a 2.96 to the question, "As a result of the Summer SIFE program, I think my personal income in the future will increase." Also, students believed that their work skills had increased (2.92), their career options had increased (2.75), and their potential for success had gone up (2.75). Results for 1999 are similar, with an increase in the average score noted for all but Question 23.

In summary, assessment results are positive. Results show an increase in business and economic literacy, both as a class and individually. Also, the students report overall satisfaction with the program.

THE FUTURE OF THE PROGRAM

The future of the entrepreneurship education program is optimistic, both locally, nationally and internationally. Locally, the CSU, Chico SIFE received a $10,000 grant in January 2000 from each of two companies in the San Francisco Bay Area—Applied Technologies, Inc. and Cadence Design Systems, Inc. The purpose of the grants was to adapt and expand the program into the inner city high schools in spring 2000 (it should be noted that the two executives who spearheaded the grant also serve on the Chico State Alumni Board of Directors and the Chico State SIFE Business Advisory Board; it should also be noted that both men are African American). Also, a $25,000 grant is pending with the Coleman Foundation under its Entrepreneurship Awareness and Education Grant Program to expand the program in fall 2000 and spring 2001.

On a national level, the CSU, Chico SIFE team has achieved outstanding recognition for its work. In May 1999, the team earned first place in the four-year division, and with it came the title of International Champion. This recognition has made it easier for the team to aggressively recruit other colleges and universities to start SIFE chapters, and to work with existing SIFE chapters (in 1999/2000, the team has adopted three "rookie" campuses and has worked closely with three veteran SIFE teams). All of these partner universities are encouraged to share successful projects with one another; the Chico team urges these teams to consider adapting the Summer SIFE lessons.

Another reason this program has a bright future is the increasing popularity of "active learning" as an innovative pedagogy in U.S. Colleges of Business. In fact, the American Accounting Association has recently created a separate Active Learning Committee within its Teaching and Curriculum section. This section, which currently boasts over 1,700 accounting faculty, also encourages "experiential learning" activities within its domain. According to the National Society of Experiential Education's home page (http://www.nsee.org/), experiential education "encompasses a wide range of teaching and learning methods which engage the learner actively in whatever is being learned." Examples include:

- internships

- school-to-work
- career development
- cross-cultural education
- leadership development
- active learning in the classroom
- service-learning

Comparing the Summer SIFE program to the list above, we see that the compensated SIFE instructors are paid interns. By working with the at-risk proteges (over half of whom are Latino or Asian), the college students obtain leadership skills. They also learn to work with students from different cultures. The proteges, concurrently, obtain school-to-work skills; they have a chance to obtain career skills; and they engage in active learning in the classroom.

SIFE students who are not compensated usually receive some form of academic credit. The concept of college students completing community service projects that are related to coursework is known as "service learning." This term is defined is more specifically as “a credit-bearing educational experience in which students participate in an organized service activity that meets identified community needs and reflect on the service activity in such a way as to gain a further understanding of course content, and an enhanced sense of civic responsibility.” (Bringle & Hatcher, 1995). Unlike extracurricular voluntary service, service learning is a course-based service experience that produces the best outcomes when meaningful service activities are related to course material through reflection activities as directed writings, small group discussions, and class presentations.

Last, the program has great potential for students in grades K-8, and for adult education and training programs. In fact, the CSU, Chico SIFE team, in previous years, has delivered a series of lessons to pre-algebra eighth graders called "Using Math to Make Business Decisions." Also, starting last year, the team has begun working with gifted and talented students in grades 3-8, along with two Girl Scout troops. The challenge right now is to recruit enough students, organize them, and train them to handle the growing demand from the community.

CONCLUDING COMMENTS

The program described in this (1) provides an integrated approach to entrepreneurship education; (2) is one example of how the public school system can address the needs demanded by the current work environment, especially for students from ethnically-diverse backgrounds, and (3) shows how university students can become a major source of role models, especially for minority students.

Results indicate that the students increased their knowledge of business and economic concepts, and student attitudes about the program were overwhelmingly positive. If we are serious about addressing the problems of economic, business and computer literacy, it is imperative that today's high school students are literate in these areas. Unfortunately, many teachers themselves are not literate in the language of business or computers. Currently, there are over 700 colleges and universities nationwide with SIFE students who have great knowledge and skills that can be used.

Equipped with the necessary knowledge, skills, training, hardware and software, these students can become mentors and instructors for at-risk and mainstream high school students. Also, by enlisting the support of various agencies like the Private Industry Council and SIFE's Business Advisory Board, there are opportunities to include entrepreneurs in such a program. The role model effect cannot be overemphasized.

The Summer SIFE program described in this article is one example of an integrated curriculum, using new technology that can be implemented into a standard curriculum. SIFE students planning on starting their own businesses or entering a career in business can improve leadership, teamwork, and communication skills. The benefits to college students are more than skill-based, however—they also increase knowledge of business. As an example, consider the words of one of the SIFE student instructors:

> I have taken courses in college related to the subject matter that I taught in Summer SIFE, but having the opportunity to teach the material gave me a greater understanding of business in general. I have also learned to be patient with others and it has made me realize how difficult teaching can be. It has helped me with my public speaking skills and given me more drive to succeed in life.

REFERENCES

Bringle, R. G. & J. A Hatcher. (1996). Implementing service learning in higher education, *Journal of Higher Education*, *67*(2), (March/April), 221-239.

Development Associates, Inc. (1993). *Awareness and Attitudes of Minority Youth and Young Adults toward Business Ownership*. Report for the Minority Business Development Agency, Washington, DC: U.S. Department of Commerce.

Green, S. & P. Pryde. (1990). *Black Entrepreneurship in America*. New Brunswick, NJ: Transactions Publishers.

Kourilsky, M. L. & W. B. Walstad. (1998). Entrepreneurial attitudes and knowledge. *Entrepreneurship: Theory and Practice*, (Winter), 5-18.

National Federation of Independent Business. (1995). *Think This is Kid Stuff? Think Again...*, Washington, DC: NFIB Education Foundation.

Raine, G. (1997). Business gives education a failing grade, May 4, *San Francisco Examiner*.

Siegal, S. (1956). *Nonparametric statistics for the behavioral sciences*. New York: McGraw-Hill.

Figure 1
A List of the 22 Lessons in our Summer SIFE Program

Lesson Number	Academic Lesson Title	Date
Lesson 1	Welcome to Free Enterprise	June 15
Lesson 2	Economics 101: Relating Your Business (Microeconomics) to a Global Economy (Macroeconomics)	June 16-June 22
Lesson 3	Entities, Valuation Rules, and Ethics	June 23-25
Lesson 4	The Stock Market-Part I	June 28-29
Lesson 5	Keeping Track of Personal Net Worth: The Case of Terri's Spreadsheet	July 1
Lesson 6	CarCare Business Plan	July 2
Lesson 7	Sole Proprietorship: The Simplest Business Form	July 5
Lesson 8	The "Big Three" Financial Statements	July 6
Lesson 9	Starting Your Own Business: Questions and Answers	July 7
Lesson 10	Comparing "Annette's Tutoring Services" to "Larry's Lawn Service" (Rough Draft of Business Plan is Due Today)	July 8
Lesson 11	Estimating Revenues, Expenses, and Profits	July 9
Lesson 12	Mary and Tina's Child Care Services	July 12-13
Lesson 13	Keeping Good Records: Service Companies and Retail Companies The Case of Billy's Sports Cards (Final Draft of Business Plan Due Today)	July 14-15
Lesson 14	Risk and Reward: The Two-Dice Experiment	July 16
Lesson 15	The Columbus/Isabella Partnership	July 19-20
Lesson 16	"Jenny's Jewelry" Pays Its Taxes	July 21-22
Lesson 17	Credit Card Dollars and Horse "Sense": Reining in Personal and Government Debt	July 26
Lesson 18	Ethical Decision Making: The Case of "Andi's Peace of Mind"	July 27
Lesson 19	Einstein's Second Greatest Theory: The Time Value of Money	July 28
Lesson 20	SIFE Plays Monopoly	July 29
Lesson 21	The Stock Market-Part II	J. 30-Aug. 2
Lesson 22	Want a Loan From the Bank? Consider the Five C's	Aug. 3

Table 1
Results of McNemar Test
Panel A: Economic Literacy

		Summer	1998 (n=26)	Summer	1999 (n=44)
Question		Significance Level	Significance	Significance Level	Significance
1.	Opportunity cost	<.001	***	<.001	***
2.	GDP vs. GNP vs. CPI	<.001	***	<.001	***
3.	Definition of the GDP	.388	N/S	<.001	***
4.	Productive resources	.003	***	<.001	***
5.	Definition of profit	.057	**	.012	***
6.	Real vs. nominal interest/inflation	.065	**	.629	N/S
7.	Unexpected inflation	<.001	***	<.004	***
8.	Foreign currency fluctuations	.022	***	.424	N/S
9.	International trade	.070	**	.454	N/S
10.	Economic output constraints	<.001	***	<.001	***

Panel B: Business Literacy

		Summer	1998 (n=26)	Summer	1999 (n=44)
Question		Significance Level	Significance	Significance Level	Significance
1.	Accounting equation	<.001	***	<.001	***
2.	Balance sheet	.118	N/S	.002	***
3.	Net income vs. cash	.070	**	.503	N/S
4.	Equity/Net worth	<.001	***	<.001	***
5.	Profitability/Ratio analysis	<.003	***	<.031	***
6.	Income statement	.063	**	.454	N/S
7.	Borrowing/deficits/debt	.118	N/S	.118	N/S
8.	Dow Jones Industrial Average	<.001	***	<.001	***
9.	Transaction effect on financials	<.002	***	<.004	***
10.	Entity concept/fin. statements	1.000	N/S	.003	***
11.	Importance of business plan	.077	**	.007	***
12.	Income statement/net income	<.022	***	.167	N/S
13.	Components of a business plan	<.001	***	<.001	***
14.	Transaction effect on financials	.302	N/S	.096	**
15.	Compound interest	<.001	***	<.001	***

*** Very significant <.05 ** Significant; < .10 N/S Not significant

Table 2
Individual Student Performance

Class	Pre-Test	% Correct of 25	Post-Test	% Correct of 25	% Increase
Panel A: 1998 Results on Economic and Business Literacy Quizzes					
Class	Pre-Test	% Correct of 25	Post-Test	% Correct of 25	% Increase
Chico AM (n=6)	11.3	45.3%	21.2	84.7	39.3%
Chico PM (n=6)	6.7	26.7%	23.2	92.7	66.0%
Gridley AM (n=3)	7.3	29.3%	12.3	49.3	20.0%
Gridley PM (n=3)	7.0	28.0%	11.7	46.7	18.6%
Paradise AM (n=4)	8.7	35.0%	18.7	74.7	40.0%
Paradise AM (n=4)	10.0	40.0%	15.7	62.7	27.7%
Overall (n=26)	8.5	34.0%	17.1	72.3	35.3%
Panel B: 1999 Results on Economic and Business Literacy Quizzes					
Class	Pre-Test	% Correct of 25	Post-Test	% Correct of 25	%Increase
Chico AM (n=3)	9.3	37.3%	19	76.0%	38.7%
Chico PM (n=6)	11.0	44.0%	20.2	80.7%	36.7%
Gridley AM (n=6)	6.5	26.0%	12.3	49.3%	20.0%
Gridley PM (n=7)	10.3	41.1%	14.6	58.3%	17.1%
Oroville AM (N=4)	8.3	33.3%	21.25	85.0%	52.0%
Oroville PM (N=6)	7.8	31.3%	20.0	76.0%	38.7%
Paradise AM (n=4)	10.5	42.0%	13.25	53.0%	11.0%
Paradise AM (n=5)	10.6	40.4%	12.4	49.6%	7.2%
North County (n=3)	6.7	26.7%	11.7	46.7%	20.0%
Overall (n=44)	9.0	35.8%	16.1	64.3%	26.8%
Note: Of the 50 students in 1999, 44 were available for both the pre- and post-tests.					
Panel C: 1999 Results Breaking by Economic Literacy					
Class	Pre-Test	% Correct of 10	Post-Test	% Correct of 10	% Increase
Chico AM (n=3)	3.7	37.0%	8.3	83.0%	46.0%
Chico PM (n=6)	5.0	50.0%	8.0	80.0%	30.0%
Gridley AM (n=6)	3.5	35.0%	6.8	68.0%	33.0%
Gridley PM (n=7)	4.4	44.0%	6.9	69.0%	25.0%
Oroville AM (N=4)	3.5	35.0%	9.5	95.0%	60.0%
Oroville PM (N=6)	2.7	27.0%	8.0	80.0%	53.0%
Paradise AM (n=4)	4.4	44.0%	5.3	53.0%	9.0%
Paradise AM (n=5)	4.0	40.0%	5.0	50.0%	10.0%
North County (n=3)	2.7	27.0%	4.7	47.0%	20.0%
Overall (n=44)	3.77	37.7%	6.94	69.4%	31.8%
Panel D: 1999 Results Breaking by Business Literacy					
Class	Pre-Test	% Correct of 15	Post-Test	% Correct of 15	% Increase
Chico AM (n=3)	5.7	38.0%	10.7	71.3%	33.3%
Chico PM (n=6)	6.0	40.0%	12.2	81.3%	41.3%
Gridley AM (n=6)	3.0	20%	7.5	50.0%	30.0%
Gridley PM (n=7)	5.9	39.3%	7.7	51.3%	12.0%
Oroville AM (N=4)	4.2	28.0%	11.8	78.7%	50.7%
Oroville PM (N=6)	4.3	28.7%	12.0	80.0%	51.3%
Paradise AM (n=4)	6.2	41.3%	8.0	53.3%	12.0%
Paradise AM (n=5)	6.2	41.3%	7.4	49.3%	8.0%
North County (n=3)	4.0	26.7%	7.0	46.7%	20.0%
Overall (n=44)	5.1	33.7%	16.6	62.4%	28.7%

Table 3
Results: Attitude Survey
(Summer 1998: n=24; Summer 1999: n= 44)

Panel A: Overall Attitudes about the Lessons The SIFE team delivered several lessons over the past two months. Please answer the following questions, on a scale of 1 (poor) to 5 (very well).		**AVG 1998**	**AVG 1999**
Question 1:	Overall, how well did the SIFE students teach you how businesses operate?	4.42	4.26
Question 2:	How well did the lessons help you identify a market need for a product or service and how to meet that need?	4.25	4.34
Question 3:	How well did you learn how to produce a product or service?	4.13	4.41
Question 4:	How well did the team teach you the concept of profit and loss?	4.38	4.56
Question 5:	How well did the team teach you about business ethics?	4.38	4.41
Question 6:	Overall, how successful were the SIFE students in teaching you the skills and motivation needed to succeed in the global marketplace?	4.39	4.23
Question 7:	How well were technology skills taught during the project?	4.21	4.44
Question 8:	How well were communication skills integrated throughout the lessons?	4.08	4.62
Question 9:	How well did the students teach you the meaning of entrepreneurship?	4.38	4.62
Panel B: Active Learning This course continually placed you in the "active learning mode" in which you were frequently asked to perform certain tasks, individually and in groups. Please indicate for each item whether it was very unimportant (1), unimportant (2), neutral (3), important (4), or very important (5),in helping you learn.		**AVG 1998**	**AVG 1999**
Question 10:	Work in small groups in class.	3.63	4.36
Question 11:	Prepare written reports (business plan, ethics essays).	4.00	4.46
Question 12:	Completing the computer lessons.	4.25	4.39
Question 13:	Make oral presentations.	3.67	4.69
Panel C: Evaluation of Exercises/Activities Question 14:	Of all the items below, rank your first, second and third favorite activities.	**1998***	**1999***
Preparing spreadsheets to make financial statements		5	9
Playing with the dice (probability and risk exercise)		6	2
Voting in the penny experiment (civics and democracy exercise)		1	4
Making oral presentations with PowerPoint		10	18
Writing an essay describing an ethical dilemma		1	5
Starting your own class business		11	20
Playing Monopoly		13	10
Keeping track of stocks		6	11
Using the Internet to do research		14	22
Learning to send letters using MailMerge		N/A	6
Question 15:	Of all the items below, rank your first, second and third least favorite activities.	**1998#**	**1999***
Preparing spreadsheets to make financial statements		#	17
Playing with the dice (probability and risk exercise)			10
Voting in the penny experiment (civics and democracy exercise)			13
Making oral presentations with PowerPoint		#	10
Writing an essay describing an ethical dilemma		#	16
Starting your own class business			5
Playing Monopoly			3
Keeping track of stocks			2
Using the Internet to do research			5
Learning to send letters using MailMerge			12

Top three vote getters in 1998.
* The numbers represent the total of first, second and third place votes.

Table 3
Results: Attitude Survey
(Summer 1998: n=24; Summer 1999: n= 44)

Panel D: Importance of Various Computer/Group Tasks The SIFE mentors who worked with you during this project performed several tasks described below. Please indicate for each item whether it was very important (1), unimportant (2), neutral (3), important (4), or very important (5), in helping you learn the course materials.		**AVG 1998**	**AVG 1999**
Question 16:	Provided training using spreadsheets.	4.33	4.49
Question 17:	Provided training using PowerPoint software.	4.29	4.46
Question 18:	Provided training using word processing software.	4.35	4.41
Question 19:	Provided training using Mail Merge features in Word.	4.04	4.22
Question 20:	Provided training using the World Wide Web.	4.21	4.46
Question 21:	Consulted with students during group assignments.	4.42	4.59
Question 22:	Provided responses over the phone/e-mail to student inquiries.	3.90	4.33
Panel E: Qualitative Factors--SIFE Project As a result of participating in the Summer SIFE program, have you experienced a decrease, no change, or increase in each of the following qualitative indicators? Decrease =1; No Change = 2; Increase = 3		**AVG 1998**	**AVG 1999**
Question 23:	I think my personal income in the future will ????	2.96	2.82
Question 24:	I think there has been ???? in my self-esteem?	2.67	2.72
Question 25:	I think there has been ???? in my career options.	2.75	2.80
Question 26:	I think there has been ???? in my work skills.	2.92	2.95
Question 27:	I think there has been ???? in my potential for success.	2.75	2.85
Question 28:	I think there has been ???? in my time management skills.	2.63	2.69
Question 29:	I think there has been ???? in my independence.	2.58	2.77

Information concerning the Economic Literacy Exam and Business Literacy Exam and the method used for scoring is available from the author.

AN INTERUNIVERSITY/MULTIDISCIPLINARY EDUCATIONAL EXPERIENCE FOR ENTREPRENEURSHIP AND ENGINEERING STUDENTS: A DEMONSTRATION PROJECT

Lee A. Graf, Illinois State University
Masoud Hemmasi, Illinois State University
Michael W. Winchell, Illinois State University
John W. Nowak, University of Illinois at Urbana-Champaign

INTRODUCTION

Experiential learning has evolved from being an exploratory experimental technique in the 1950s and 60s to being common practice in a variety of learning settings (Graf & Kellogg, 1990). The central tenet of experiential learning is that one learns best by doing. The active involvement of students through experiential learning is considered an effective teaching technique which improves student understanding of the topic. Learning theory literature suggests that immediate reinforcement, such as that offered by experiential learning, plays a major role in determining the quality of learning (Estes, 1972).

Experiential learning took a significant leap forward at Illinois State University when its Institute for Entrepreneurial Studies partnered with Northern Illinois University's (NIU) Entrepreneurship Program, and the University of Illinois at Urbana/Champaign's (UIUC) Institute for Competitive Manufacturing to conduct a series of real-life projects for Illinois-based manufacturing firms. Project funding for these joint endeavors was obtained through a Higher Education Cooperation Act (HECA) Grant from the Illinois Board of Higher Education. What follows documents one such real-life cooperative project funded through the above program.

THE REAL-LIFE COOPERATIVE PROJECT

Teams of entrepreneurship students from Illinois State University and NIU worked with teams of engineering students from the UIUC to carry out a series of projects keyed to improving the deteriorating competitive position of a manufacturer of wire storage products. More specifically, the student teams successfully completed projects ranging from cost-effective redesign of shelving to decreasing customer intimidation. The student teams' information and learning was then successfully transferred to manufacturers and the Virtual Manufacturing Community.

The sections that follow will briefly describe the Virtual Manufacturing Community concept, how the above-identified cooperative arrangements were established and funding secured. In addition, the details related to actual projects undertaken by above-mentioned teams of students, the real-world benefits and experiences gained through these efforts by both entrepreneurship and engineering students as well as participating companies will be documented.

THE VIRTUAL MANUFACTURING COMMUNITY

The Virtual Manufacturing Community (VMC) is a take-off of the virtual team concept (Geber, 1995). Virtual teams are organizational teams whose members, though separated by several miles or even continents, are able to work together by communicating through modern technology. Technological advances that have made virtual teams possible include FAX machines, E-mail, videoconferencing, and a new generation of computer software called groupware. Groupware electronically links team members via computers, allowing them to instantly manipulate and trade information. The challenge of virtual teams is to get people to work together even though they cannot meet face-to-face (Geber, 1995).

The VMC mentioned above is designed to assist industrial firms seeking to improve their manufacturing competitiveness by making the resources of the higher education community more readily available to meeting business and industry needs, while simultaneously supporting the accompanying missions of education, research, and public service. The industrial base of Illinois has several unique characteristics that complicate effective manufacturing assistance efforts. Some of those characteristics include a broad variety of industries, a majority of manufacturers of small size (96% with fewer than 250 employees), the absence of a dominant industry, and a broad geographic distribution of population with only heavier density in a few communities. To more effectively serve the industrial base of the state, the Virtual Manufacturing Community was created.

The VMC is defined by two key terms--VIRTUAL, which means that it exists on the Internet and that it facilitates communication and information sharing outside of geographic or time boundaries, and COMMUNITY, which describes a partnership where members share learning of new technologies, tools, and techniques and their practical applications within an industry, geo-political region, or business entity.

The network described above allows for the creation of a true market-driven delivery system in which various levels of assistance are possible. At the basic level, industry members are able to interact among themselves sharing solutions to a local problem with the only assistance provided being the facilitation of communications. At a medium level of assistance, materials developed by members of the academic community and affiliated service provider organizations may be posted to a community web-site and then accessed as needed by community members. At the highest level of assistance, university personnel or affiliated members may develop and deliver workshops on topics needed by the community. These presentations have the capability of being delivered via the Illinois Satellite Network from facilities on the UIUC campus or on-site at a facility in the community. As mentioned above, student teams' information and recommendations were transferred to this Virtual Manufacturing Community.

Obviously, to successfully carry out the activities described above takes resources as well as a well-coordinated effort among the parties involved. The funding necessary to support this effort was obtained through a grant from the Illinois Board of Higher Education.

FUNDING FOR AND ESTABLISHMENT OF A COOPERATIVE INTERUNIVERSITY ENTREPRENEURIAL PROGRAM

A grant program has been created as a result of the passage of the State of Illinois Board of Education, Higher Education Cooperation Act (HECA). HECA funds are provided annually by the State to support programs and projects involving cooperation among two or more institutions of higher education that coordinate efforts on or about a major or topical educational issue. The act stipulates that programs receiving grant funding shall serve both a public and secular purpose and be consistent with Board of Higher Education policies and priorities. Grants are awarded on a competitive basis.

The type of grant (economic development grant) received to support the project presented here is intended to fund initiatives designed to link more effectively the State-wide telecommunications network, to expand economic development efforts of the State's colleges and universities, and to capitalize on the special capabilities and geographic advantages of the State's system of community colleges. The grant funds also are for projects designed to assist in providing solutions to economic development needs of a region by bringing higher education resources and expertise into that region. Highest priority is given to projects which, among other things, seek innovative uses of technology to improve curriculum and student instruction. The present project establishing this interuniversity, multidisciplinary cooperative endeavor meets all of the goals and expectations outlined above.

Multidisciplinary cooperation and team building have been significant focuses in the popular business press over the past decade or so. The literature related to teams first focused on use of problem-solving teams--an organizational team set up to help eliminate a specified problem within the organization (Shonk, 1992; Aranda, Aranda & Conlon, 1998). Self-managed teams--an organizational team set up to plan, organize, and control its own work situation with only minimal direction from management--then became the craze (Orsburn, Moran, Mussselwhite & Zenger, 1990; Zuidema & Kleiner, 1994; Abbasi & Hollman, 1994; Aranda, Aranda &Conlon, 1998). More recently, however, the focus has been on cross-functional teams--teams composed of people from different functional areas of the organization who are all focused on a specified objective (Denton, 1992; Hutt, Walker & Frankwick, 1995). The student teams assembled through the above-mentioned HECA grant would likely be categorized as a type of hybrid between problem-solving and cross-functional--engineering and entrepreneurship students working cooperatively to research, analyze and make recommendations to resolve specific issues for a participating business organization.

How did this cooperative endeavor among ISU, NIU, and UIUC come to be? Successes in earlier academic partnerships between the entrepreneurship programs of ISU and NIU in 1992 (e.g., project involving marketing of nuclear power plant testing equipment in international markets) and between the entrepreneurship program at NIU and the industrial engineering program at UIUC in 1994 (e.g., project involving redesign of retractable surgical device), led to common awareness of the capabilities of program participants at all three institutions. These experiences demonstrated several important principles to both the students and faculty engaged in the projects. First, the project work significantly improved the value of the learning experience for students. For example, as engineers worked to understand the needs of the marketplace, the business students also began to appreciate the questions of design and manufacturing. Second, all parties involved came to see the potential for leveraging resources and skills of each university. Finally, the combining of student teams, faculty, libraries, technology, and specialized staff provided an especially cost effective resource for business.

While the NIU/ISU cooperative effort concluded in 1993, the NIU/UIUC joint effort initiated in 1994 was expanded over subsequent years. However, in the summer of 1996 when a new project, entitled Enterprise "X" was rolled out, ISU was invited to become a member of the team. The enterprise in question (Enterprise "X" in this case) is a large midwestern producer of household storage products manufactured from welded wire or wood. The nature of the projects in the Enterprise "X" program and the experiential learning that resulted are outlined below.

A DEMONSTRATION CASE

The projects outlined below were initiated and completed during the Spring 1997 Semester. The cross-university/cross-functional team involved in carrying out these projects included 34 NIU MBA and undergraduate business students, 8 ISU undergraduate business students, and 7 UIUC undergraduate industrial engineering students.

Four specific sets of projects were agreed to and supported through the HECA grant. The first set of projects was keyed to understanding the behavior of end customers. That work, defining the requirements of end-customers, was accomplished by students from NIU and ISU and carried forward by the senior design students at UIUC. The senior design students worked to identify opportunities to apply appropriate technology to improving customer satisfaction, such as a design tool to permit the customer to specify proposed storage solutions from a range of solutions. Engineering students, using the information provided by the NIU and ISU team members, also searched for simplified installation procedures and, in turn, made suggestions to improve the design of the product line to make both the purchase and installation processes more accommodating.
The second set of projects involved improvements to the firm's existing manufacturing processes to find new ways to test the quality of welds in non-destructive fashion. This inquiry also yielded a series of questions regarding the overall nature of the plant's quality processes.

The third set of projects, involving the entire extended team, consisted of fashioning a methodology that permitted the firm to accurately assess new product opportunities in original equipment markets. The business students were responsible for identifying the critical business questions involved in the method while the engineering students took charge of assessing the technical and manufacturing feasibility of those apparent opportunities.

Finally, the entire team proceeded with the development of the Virtual Manufacturing Community. The goal for the VMC was to link the enterprise with customers, suppliers, and sellers. Further, the VMC was to serve as a link for the firm's geographically separated production, marketing, finance, and administrative facilities. The Internet based community, supported by the video-conferencing links, E-mail, bulletin boards, and regular meetings, made the resources of all the partners readily available to all participating firms, overcoming traditional time and geographic boundaries. These resources included faculty at participating institutions, the university laboratory facilities, computational facilities, and libraries.

REAL-WORLD BENEFITS TO BE GAINED BY STUDENTS

There are numerous benefits to be derived by students actively participating in real-life projects of the nature presented in this paper. Some of the major benefits include:

- The experience helps develop a mature sense of responsibility in students.
- The experience better prepares students for their professional careers while enhancing their employment potential.
- The experience affords students the opportunity to enhance their interpersonal, teamwork, and communication skills.
- The experience helps sharpen students' conceptual, analytical/problem solving, and entrepreneurial skills.
- The experience permits students to test learned principles in real-world situations and address real business opportunities and problems.
- The experience permits students to expand their knowledge and expertise through interaction not only with peers and faculty from other institutions and disciplines, but also with the network of client firm's staff, customers, and suppliers.
- The experience helps students develop a wholistic view of business operations through understanding functions and processes and the way they interrelate to affect overall firm performance.
- In addition to all of the above, the experience allows students to earn academic credit.

Table 1 presents a sampling of the comments and testimonials regarding the project experience that were provided by participating students. While anecdotal in nature, these comments clearly support the above assertions.

In addition to the testimonial evidence presented above, survey data have been collected from approximately 146 of the 270 companies that participated in the projects funded through HECA grants between the years 1994 and 1998. These companies' evaluations of the quality of the participating students' efforts and contributions are summarized in Table 2. The numbers in the table reflects the percent of respondents that have agreed (either agreed or strongly agreed) with a series of statements regarding the performance of student teams in carrying out assigned projects.

Table 1
A Sampling of Students' Comments and Testimonials

♦	"The two most important things I got out of [the project] are these: In the real world, not everything goes right and, learning how to learn and solve problems."
♦	"One thing I have developed [through this experience] is the ability to work with people."
♦	"The project prepared us for real-life situations."
♦	"A very beneficial aspect of the project was that it increased our ability work effectively in teams."
♦	"The project gave me the opportunity for interaction with the business community and [to] gain a grasp of analysis/research methods."
♦	"The project helped me understand more about how business is actually conducted than any other course."
♦	"A great benefit of the project was the application of previous course concepts to a real-life situation--thinking logically, not memorization of facts."
♦	"This was a good experience. It was helpful in my search for employment. It gave me relevant, professional consulting experience."
♦	"The project gave me the opportunity of actually working directly with people and helping [them] with their business-related problems."
♦	"The most beneficial aspect of the project was working with a real company and relating the experience to course materials."
♦	"The project made me think for myself."

It is clear from the data presented in Table 2 that the companies' perceptions of students' performance and contributions have been outstanding. Specifically, the vast majority (greater than 80%) of all responding companies had positive impressions of both the professionalism displayed by the students as well as the quality of, and the value derived from, the projects carried out.

As one can see from the above discussion, students stand to gain a great deal from their involvement in such projects. Projects of this nature are obviously excellent pedagogical tools that involves interactive learning whereby the focus of instruction/learning shifts from active teaching on the part of the instructor and passive participation by students to truly hands-on, active learning by the students with a facilitating supervisory role for the instructor.

Table 2
Company's Assessment of the Quality of Students' Efforts and Contributions

	% of Firms Agreeing
The student team acted in a professional manner	93.7%
The student team developed and articulated an acceptable project plan	88.9%
The student team exhibited an understanding of the appropriate	91.1%
The final report addressed the key project issues in a clear, understandable manner	90.3%
The final results addressed the company's needs	81.4%
The results reported were of value to the company	81.3%
The company was pleased with the quality of the work and the results produced	81.8%
Overall, the final project results were beneficial and worthwhile to the company	85.0%
As a result of the experience, this organization would participate in a future project	92.1%

BENEFITS DERIVED BY PARTICIPATING COMPANIES

The survey data obtained from the companies also assessed the benefits from the aforementioned student-company joint projects experienced by these firms. Table 3 summarizes the percent of companies deriving each specific type of benefit.

As can be seen from Table 3, companies also stand to gain considerable benefits from involvement in student-company joint projects of the nature described here. Among others, they may become exposed to new ideas, technologies, and practices; gain access to valuable technologies and resources that they otherwise may not be able to afford; complete projects and solve problems in shorter time frames and at lower cost, and identify student candidates for possible employment.

In short, projects of the nature described above present a win-win situation for all parties involved. Students get to become active participants in their own learning and apply their classroom knowledge and skills in actual work settings. Also, at little or no cost, companies receive professional assistance/expertise and gain access to valuable university resources and leading-edge technologies to resolve their own practical problems. Similarly, universities obtain, at very low cost, the opportunity to: (a) augment their conventional on-campus classroom instructional offering with real-world laboratory-type educational experiences, and (b) simultaneously meet their outreach mission and community service expectations. Finally, state government is able to make efficient use of its resources by capitalizing on special capabilities and geographic advantages of its state universities and colleges to expand its economic development efforts.

Table 3
Company Benefits Derived From Student-Company Joint Project Involvement

	% of Companies
Exposure to new ideas and different points of view	79.4%
Exposure to approaches, ideas, and/or results that were not considered previously by the company	52.4%
Affirmation of current company practices	81.5%
Introduction of new technologies, concepts, and approaches	76.5%
Opportunity to identify student candidates for possible employment in the company	73.1%
Without the help of the student team, the company would not have had the capability to achieve the same results	32.6%
Without the contributions of the student team, the company could not have produce the project results in the same time frame or at the same cost	61.3%
Participation in this project gave the company access to technologies and other resources that would not have otherwise been available	59.0%

REFERENCES

Abbasi, S. & K. Hollman (1994). Self-managed teams: The productivity breakthrough of the 1990s. *Journal of Managerial Psychology*, *9*, 25-30.

Aranda, E., L. Aranda, & K. Conlon (1998). *Teams: Structure, Process, Culture, and Politics*, Upper Saddle River, N.J.: Prentice Hall.

Denton, D. (1992). Multi-skilled teams replace old work systems. *HR Magazine*, September, 48-56.

Estes, W. K. (1972). Reinforcement in human behavior. *American Scientist, 60*, 732-729.

Gebber, B. (1995). Virtual teams. *Training*, April, 36-40.

Graf, L. A. & C. E. Kellogg (1990). Evolution of experiential learning approaches and future developments. In J. W. Gentry (Ed.), *Guide to Business Gaming and Experiential Learning,* East Brunswick, N.J.: Nichols/GP Publishing, 231-250.

Hutt, M. D., B. A. Walker & G. L. Frankwick (1995). Hurdle the cross functional barriers to strategic change. *Sloan Management Review,* Spring, 22-30.

Orsburn, J., L. Moran, E. Musselwhite, & J. Zenger (1990). *Self Directed Work Teams*, Homewood, IL: Business One Irwin.

Shonk, J. H. (1992). *Team Based Organizations,* Homewood, IL: Business One Irwin.

Zuidema, K. & B. Kleiner (1994). Self-directed work groups gain popularity. *Business Credit*, October, 21-26.

CAFÉ AMERICANA: A CASE STUDY

Dianne H.B. Welsh, John Carroll University
Lori Finn, Eastern Washington University
Marie Miller, Eastern Washington University
Eric Lunden, Eastern Washington University
Michael Beckham, Eastern Washington University
Sonomi Takahashi, Eastern Washington University
Jason Hansen, Eastern Washington University

CASE DESCRIPTION

This presents the case of employee theft and employee management issues in an entrepreneurial-owned and operated restaurant. It requires the student to analyze the issue of employee theft and termination, while considering the legal, moral, management and economic implications on a business.

CASE SYNOPSIS

This case describes incidences of employee theft as well as employee managerial issues in an entrepreneurial-owned and operated restaurant. The students are to analyze the case to determine whether the employees actions are violations of company policy and grounds for termination; what implications employee theft have on a business and it's employees and the legal requirements faced by managers. In addition, the students analyze the effect of employee's conduct, which reflects on the management of the restaurant and could effect its profitability. This includes employee appearance, fowl language, absenteeism and tardiness.

This case illustrates real-life situations faced by employers and owners of businesses. Employee theft accounts for a large percentage of all theft incurred by business owners. This case is appropriate for high school or junior college students studying business law, business management and business math. Relevant topics include employment law, employee theft, employment of minors, company policies, employee benefits, employee termination, analysis of financial worksheets and business losses.

CASE STUDY

The recently opened Café Americana strives for a unique dining experience that provides atmosphere and a superlative menu. The owners, a husband and wife team, Pat and Gregory Kroetch, have been restaurateurs since the early sixties. They are true entrepreneurs. While running their second restaurant, The Bread Basket, Pat and Gregory had the opportunity to buy The Golden Hour Restaurant from Pat's father. Pat's father had sold the business to finance his retirement, but the purchaser had unforeseen financial difficulties. In fact, he was two days short of losing the business and did not have the resources to make payroll. Within two days, Pat and Gregory had taken out a loan and rescued The Golden Hour. The Golden Hour was closed, remodeled, and reopened, as Percy's.

Last October, Pat and Gregory took on a new venture and closed Percy's to create Café Americana. Upon entering Café Americana you are taken back to the nineteen forties; an era when people frequented supper clubs and men were not considered dressed unless they were in a suit and hat. Pat and interior designer, Curtis Anderson, are responsible for creating the atmosphere of the restaurant. Their artistry is reflected in the experience you get when dining at Café Americana. The combination of ambiance, the menu, and the customer service create pleasurable dining.

The manager, Greg Jr. has many responsibilities. One of his most important jobs is to hire responsible employees. Typically, restaurants have a high turnover. Café Americana has eighty-five employees; fifteen of them have been with the restaurant for over fifteen years. Unlike most restaurants, Café Americana offers benefits to employees. For example, after a six-month waiting period, full-time employees are eligible for medical and dental group insurance. Full time employees who have worked for one year receive a paid vacation.

Café Americana gives each new employee a copy of its employee handbook, which clearly outlines the rules and responsibilities for all employees. Rules and policies include, but are not limited to:

Employees are to clock out for meal breaks.*
Servers and bus persons receive a 25% discounted meal each day.
Meals are to be rung in and you must have your computer ticket with you while you eat.
Notification of an excused absence is to be given to a supervisor prior to an absence
Dress code and grooming policies require employees to have a professional appearance.*(See attached Employee Handbook)
Any violation of company policies is grounds for termination.

Two months ago Kathy*, a sixteen-year-old high school student, was hired to bus tables. This was Kathy's first job. When she was hired, she received an employee handbook, which was reviewed in detail with her. When Kathy arrives at work she clocks in and serves herself a bowl of soup which she does not pay for. She clearly feels that she should be paid from the moment she arrives at work, even though she has not begun to work. Kathy has been taking tips off the tables when no one is looking and her behavior is making the other employees feel uncomfortable. Jill, who has been with Café Americana for fifteen years, has brought Kathy's behavior to Greg's attention.

Andrew* has worked at Café Americana for six months. He is a nineteen-year-old server. When Greg interviewed Andrew, he was clean-cut and well mannered; however, for two months Andrew has been showing up to work disheveled. He arrives unshaved and unkempt. Andrew uses foul language when he is in the kitchen and does not clock out when he takes his breaks. Several times Andrew has not shown up for his shift or notified management of his upcoming absences.

Greg Jr. is happy with all of his employees except for these two individuals. If he terminates them, he is required to give them a reason and report information to the unemployment agency when requested. Greg has decided to terminate these employees.

*The characters and situations of this case are fictional. They depict actual problems faced by many restaurants and their owners. This case is intended as a basis for class discussion rather than to illustrate any wrongdoing on the part of Café Americana, its owners or employees.

EXHIBIT CAFÉ AMERICANA EMPLOYEE HANDBOOK: GENERAL CONDUCT	
Rest and Meal Periods	A supervisor must authorize meal breaks, smoking breaks and rest periods. Meal breaks are always accompanied by a meal ticket and signed by a manager. Your computer ticket must be placed in front of you during your meal. Breaks are not given between the hours of 12 Noon to 2:30 PM and 3:30 to 9 PM. Meal periods must be signed for.
Eating While on Duty	Team members, including kitchen staff, are not allowed to eat while on duty except during designated times approved by management.
Personal Appearance	Uniforms must be clean and wrinkle free at all times. Employees arriving to work with less than impeccable appearance will be either sent home to change, or required to purchase another uniform from the office. Uniform shirts that are given from the office will be deducted from your paycheck and are only returnable if they are laundered, pressed and in perfectly new condition. It may be necessary for some hairstyles to be tied back or worn off the neck, at the manager's discretion. Shoes are to be kept clean and polished. Check with the manager for approval of open-toed shoes. Socks or stockings must be worn at all times. Greeters and other non-uniformed personnel must dress professionally and in a style that is appropriate to Café Americana.
Gum Chewing	Gum chewing is not permitted at any time or in any area of the restaurant, other than designated break areas.
GENERAL POLICIES	
Absenteeism – Excused Absences	An excused absence requires advanced notice. The notice is to be given to your supervisor or manager only. A schedule change can be made if you get another employee to cover your shift, provided management approves the replacement in writing. We encourage you to see a doctor if you are ill. We don't want your illness to reoccur or to infect the rest of the staff or our guests. Your health is your responsibility, please take care of it.
Absenteeism – Non-excused Absences	All other absences are considered non-excused. Employees with non-excused absences will be issued a written warning or may be dismissed.

BACKGROUND INFORMATION

Typically when we walk into a restaurant we are unaware of what goes on behind the scenes. We do not think about all that goes into running and maintaining the restaurant; although we may analyze the food and the service, the many facets involved are not obvious to us. This case talks about Café Americana, and depicts problems that they or any restaurateur may face. One of the most complicated and difficult jobs for the business owner is hiring and retaining honest, reliable and loyal employees. It is imperative that the employer be aware of employee theft, employee's legal rights and theft prevention techniques.

Employee theft is an increasing problem and affects the employers in all businesses. According to the "Atlanta Journal Constitution," 20 billion dollars in merchandise was stolen from merchants; inside theft accounts for 11 billion dollars of that (Bond, 1998). Surprisingly, businesses lose more money to employee theft than to shoplifting or robbery. One study conducted by the University of Florida found that "41.5% of inventory shrinkage was attributed to employee theft, while shoplifting accounted for 35.1%" (Mullen, 1999).

Employees are innovative when it comes to stealing. In order to minimize loss, employers should be aware of all the possible ways that an employee can steal. For example, it is not uncommon for a bartender to serve the house brand of liquor to a customer who has ordered a more expensive brand of liquor. The bartender than pockets the difference. Another practice is to pour drinks that are not a full shot, saving the left over liquor until they have a shot, selling it in a drink and not recording it (Plotkin, 1999). Eating without paying for food, not clocking out for meal periods, taking items such as silverware and dishes, constitute theft. The problem is significantly increasing. Last year theft by employees' rose from 32.4% of sales to 42.4% (Jeffery, 1999).

Laws governing employee rights are complicated. Employers should be especially aware of laws pertaining to minors. Employees are entitled to a meal break of 30 minutes if they are working a five hour shift or longer. They have a right to a 10-minute break for every four hours that they work. Minors, sixteen to seventeen, are to be given a 10-minute break or a 30-minute meal break after they have worked just two hours. They are to receive a paid 10-minute break for every four hours that they work (Washington, March 29, 1999). Employers are required to give minors, fourteen to fifteen years old, a 30-minute meal break if they are working for more then four hours. They must also have a 10-minute break that is scheduled every two hours if they will be working for more then four hours (Washington, Feb, 25, 1999).

It is particularly important for small businesses to be aware of employee rights and laws pertaining to them because of litigation issues. Recently, employees who had been fired for eating food that had damaged packaging sued Wal-mart. The four former employees were awarded $20 million dollars; they claimed that Wal-Mart has an unwritten rule allowing employees to eat food with damaged packaging (AP, Jan 18,1999). In order to avoid problems with litigation the article "And Now the End is Near" suggest that employers create an employee handbook. The handbook should include:

Terms and conditions of employment, including working hours, vacation and sick leave, health and pension benefits, and disciplinary and termination procedures, including circumstances that warrant instant dismissal (Winter, 1998).

Having rules and procedures written and explained clearly protects both the employee and the employer. After creating the employee handbook, employers should adhere strictly to the rules. “Making exceptions for some ‘favorite’ employees only creates a disrespect for the rules for everyone.” (Farr, 1998)

A word of caution to the employer: if you suspect that an employee is stealing from you, you can terminate them on those grounds when “…you have a signed confession complete with witnesses and a video tape…” (Farr, 1998). It is more important to eliminate the problem than it is to punish the employee.

Being an entrepreneur and owning your own business creates a web of functions and responsibilities. The Kroetch family has a long history in the restaurant business, beginning with Pat, whose parents were in the business when she was a small child (Sciuchetti, 1999). Pat and Gregory have created a new venture for themselves with Café Americana which offers “…a culinary lineup that touches down all over the map” (Kelly, 1999). With this new endeavor comes the hiring of new employees. Like all employers, Pat and Gregory have to be concerned with hiring and keeping reliable employees. The manager, Greg Jr. has an especially difficult job of determining if a person will make an honest and trustworthy employee. Running credit checks on potential employees can be a good indicator of their reliability (Hemphill, 1976).

Managers can minimize employee theft by creating a general atmosphere that expects honesty. Treating employees well and fairly invokes loyalty from them. Employees who feel loyalty towards a company are less likely to pilfer from it. It is apparent that the way in which a person is treated and the satisfaction that they receive from the job correlates to their action toward the company. If they have ill feelings toward employers they are more likely to engage in damaging behaviors (Murphy, 1993).

* Names and situations have been disguised.

REFERENCES

Associated Press. (1999, January18). Ex-Wal-Mart staff awarded 20 million in Kentucky lawsuit. *The Wall Street Journal*, A-10.

Bond, P. (1998, December 7). Mallwatch as employees out steal shoplifter. *The Atlanta Journal Constitution,* E-3.

Davis, D. (1997). *Threats pending fuses burning: Managing workplace violence.* Palo-Alto, CA.: Davies-Black Publishing.

Farr, J. (1998, October). To catch a thief. *Restaurant Hospitality*, 72-73.

Hemphill, C. (1976). *Management's role in loss prevention*. New York, NY: AMACOM.

Jeffrey, D. (1999, February 20). Survey says store theft drops, but workers are stealing more. *Billboard*, 45-50.

Kelly, L. (1999, January 22). Percy's has brand new look as Café Americana at U-City. *Spokesman Review*, 4.

Mullen, F. (1999, January 25). Six steps to stopping internal theft. *Discount Store News*, 12.

Murphy, K. (1993). *Honesty in the workplace*. Pacific Grove, CA: Brooks/Cole.

Plotkin, R. (1999, February). Fingerprints of theft. *Restaurant Hospitality*, 56.

Rubinstein, E. (1999, January 11). High-tech system look to head off restaurant shrinkage. *Nations Restaurant News*, *33* (2), 3, 33.

Sciuchetti, P. (1999, January 23). Percy's reopens as Café Americana. *Spokesman Review*, (7).

Visconti, S. & Stiller, R. (1994). *Rightful termination: avoiding litigation.* CA: Crisp Publications.

Washington State Department of Labor and Industries. (1999). Teen workers have two jobs. Retrieved 1999 from the World Wide Web: http://www.wa.gov/lni/ipub/i7000220.htm.

Washington State Department of Labor and Industries (1999). Your rights as a worker. Retrieved 1999 from the World Wide Web: http://www.wa.gov/lni/workstandards/yourrights.htm._

Winter, A. (1998). And now, the end is near: It's a business owner's least-favorite task: *Entrepreneurial Edge. 4*, 42-47.

CAFÉ AMERICANA: INSTRUCTORS' NOTES

Dianne H.B. Welsh, John Carroll University
Lori Finn, Eastern Washington University
Marie Miller, Eastern Washington University
Eric Lunden, Eastern Washington University
Michael Beckham, Eastern Washington University
Sonomi Takahashi, Eastern Washington University
Jason Hansen, Eastern Washington University

CASE DESCRIPTION

This presents the case of employee theft and employee management issues in an entrepreneurial-owned and operated restaurant. It requires the student to analyze the issue of employee theft and termination, while considering the legal, moral, management and economic implications on a business.

CASE SYNOPSIS

This case describes incidences of employee theft as well as employee managerial issues in an entrepreneurial-owned and operated restaurant. The students are to analyze the case to determine whether the employees actions are violations of company policy and grounds for termination; what implications employee theft have on a business and it's employees and the legal requirements faced by managers. In addition, the students analyze the effect of employee's conduct, which reflects on the management of the restaurant and could effect its profitability. This includes employee appearance, fowl language, absenteeism and tardiness.

This case illustrates real-life situations faced by employers and owners of businesses. Employee theft accounts for a large percentage of all theft incurred by business owners. This case is appropriate for high school or junior college students studying business law, business management and business math. Relevant topics include employment law, employee theft, employment of minors, company policies, employee benefits, employee termination, analysis of financial worksheets and business losses.

DISCUSSION QUESTIONS

Employment Law and General Business:

1. **What impacts does employee theft have on a company? Consider the legal, moral, and economic impacts in your analysis.**

Legal impacts:	
	Dealing with regulatory agencies such as Department of Labor and Industries
	Lawsuits due to improper handling of termination of employees
Moral impacts:	
	Employee morale issues
	Employee trust
	Safe and friendly work environment
	Loss of employee benefits
Economic impacts:	
	Profitability
	Employee Benefits
	Cost of theft-reduction plans
	Employment costs
	Training costs

2. **What company policies did Kathy violate? How about Andrew? Do these violations warrant termination? If so, on what grounds?**

Kathy violated two company policies. First, she failed to clock out to eat her soup. Second, she didn't pay for her soup. She has also been stealing tips off the tables.

Andrew also violated two company policies: He failed to notify management prior to absences from work and he violated the company dress code policy. He has also been using abusive language on the job and is harassing other employees.

According to company policy, Kathy and Andrew's behavior warrants termination. They could both be terminated for either performance or gross misconduct, provided there is documentation of their violations of policy.

3. **What laws must a manager be in compliance with when hiring employees? What laws have implications on terminating employees?**

There are many laws that managers must comply with when hiring and terminating employees. These are laws at both the Federal and State levels. The major laws affecting employment are:

Fair Labor Standards Act	establishes minimum wage, overtime pay, and child labor standards.
Equal Employment Opportunity	prohibits discriminating against race, color, religion, sex or national origin in all aspects of employment.
Affirmative Action	
Americans with Disabilities Act	prohibits discrimination due to disabilities and provides of reasonable accommodation.
ADEA	
Occupational Safety and Health Act	requires employers to provide and maintain safe and healthful work environments for their employees.

4. **What impact does terminating employees have on a company? What impact does it have on employees?**

Terminating employees normally has negative impacts on a company. It impacts the company financially due to costs of training, lost work time, unemployment benefits, and possible litigation, as well as affecting the company culture. Impacts on other employees include morale issues and feelings of an unsecure or hostile work environment.

Business Math:

1. **What laws regulate the hiring of minors in your state? What implications do these laws have on businesses and minors?**

In Washington, the Department of Labor and Industries issues laws that regulates the hiring of minors. These laws specify terms of employment, such as age, wage and types of job, hours of work and the working conditions required for minors. The laws can have a wide range of impacts on the businesses and minors. Businesses must obtain a special permit to hire minors and are required to maintain special paperwork documenting minor's work. They must also consider what work the minors will be doing and what hours they will work, prior to hiring. This often means hiring several minors for positions that normally one full-time person might be able to cover. The implications for minors are limits on the time and the amount of money that they are able to earn, since they can only work a minimum of 20 hours per week during the school year.

2. **If each employee of this restaurant has one bowl of soup on each of his/her 5 shifts per week (assume 85 employees work 50 weeks per year), what is the amount of the loss incurred by Café Americana in one year? Detail your answer by a) the total loss of profit, b) the total loss of soup preparation costs c) total costs and d) costs for soup not paid for by the employees in a year. Are there any other losses incurred besides the cost of the soup? Explain.**

Breakdown in the prices for soup:	
The price for a bowl of soup to a customer	$3.95
The restaurant's price to make the bowl of soup (costs of goods sold)	$1.00
The price of a bowl of soup sold to an employee (includes the employee discount of 25%)	$2.96

If each employee of this restaurant has one bowl of soup on each of his/her 5 shifts per week (assume 85 employees work 50 weeks per year), what is the amount of the loss incurred by Café Americana in one year? Detail your answer by a) the total loss of profit, b) the total loss of soup preparation costs c) total costs and d) costs for soup not paid for by the employees in a year. Are there any other losses incurred besides the cost of the soup? Explain.

The loss of profit per year:

$3.95 - $1.00 = $2.95 possible profit per bowl of soup
$2.95 x 5 shifts per week = $14.75 profit lost by one employee per week
$14.75 x 50 weeks = $737.50 profit loss by one employee per year
$737.50 x 85 employees = $62,687.50 profit loss by 85 employees per year

b) The cost to make the soup per year:
$1.00 x 5 shifts per week = $5.00 loss of costs by one employee per week
$5.00 x 50 weeks = $250.00 loss of costs by one employee per year
$250.00 x 85 employees = $21,250.00 loss of costs by 85 employees per year

c) Combines the totals of a) 62,687.50+ b)21,250.00 = $83,937.50 total loss per year

d) $3.95 – 25% discount = $2.96 cost per bowl
$2.96 x 5 shifts per week = $14.81 per week
$14.80 x 50 weeks = $740.00 per employee per year
$740.00 x 85 employees = $62,900.00 loss for 1 year

Other possible losses include labor in production, utility expense, equipment depreciation, employee labor (if employee failed to clock out to eat). Also, there is an ethical question that could be raised in terms of profitability from employee purchases.

3. If every employee were to clock in 5 minutes early for each of their scheduled shifts, what would be the cost incurred by the company for one year? For 5 years? Assume the average wage is $6.50 and employees work 50 weeks per year.

If every employee were to clock in 5 minutes early for each of their scheduled shifts, what would be the cost incurred by the company for one year? For 5 years? Assume the average wage is $6.50 and employees work 50 weeks per year.

5 minutes/ 60minutes = .08 hour
.08 hour x $6.50 average wage = $ 0.54
$0.54 x 5 shifts per week = $2.71 per week
$2.71 per week x 50 weeks per year = $135.42 per year per employee
$135.42 x 85 employees = $11,510.42 per year
$11,510.42 x 5 years = $57,552.08 for 5 years

REFERENCES

Associated Press. (1999, January 18). Ex-Wal-Mart staff awarded 20 million in Kentucky lawsuit. *The Wall Street Journal*, A-10.

Bond, P. (1998, December 7). Mallwatch as employees out steal shoplifter. *The Atlanta Journal Constitution,* E-3.

Davis, D. (1997). *Threats pending fuses burning: Managing workplace violence.* Palo-Alto, CA.: Davies-Black Publishing.

Farr, J. (1998, October). To catch a thief. *Restaurant Hospitality*, 72-73.

Hemphill, C. (1976). *Management's role in loss prevention*. New York, NY: AMACOM.

Jeffrey, D. (1999, February 20). Survey says store theft drops, but workers are stealing more. *Billboard*, 45-50.

Kelly, L. (1999, January 22). Percy's has brand new look as Café Americana at U-City. *Spokesman Review*, 4.

Mullen, F. (1999, January 25). Six steps to stopping internal theft. *Discount Store News*, 12.

Murphy, K. (1993). *Honesty in the workplace*. Pacific Grove, CA: Brooks/Cole.

Plotkin, R. (1999, February). Fingerprints of theft. *Restaurant Hospitality*, 56.

Rubinstein, E. (1999, January 11). High-tech system look to head off restaurant shrinkage. *Nations Restaurant News*, (33) (2), 3,33.

Sciuchetti, P. (1999, January 23). Percy's reopens as Café Americana. *Spokesman Review*, (7).

Visconti, S. & Stiller, R. (1994). *Rightful termination: avoiding litigation.* CA: Crisp Publications.

Washington State Department of Labor and Industries. (1999). Teen workers have two jobs. Retrieved 1999 from the World Wide Web: http://www.wa.gov/lni/ipub/i7000220.htm.

Washington State Department of Labor and Industries (1999). Your rights as a worker. Retrieved 1999 from the World Wide Web: http://www.wa.gov/lni/workstandards/yourrights.htm.

Winter, A. (1998). And now, the end is near: It's a business owner's least-favorite task: *Entrepreneurial Edge. 4*, 42-47.

FREE ENTERPRISE EDUCATION PROJECTS

This section of the *Journal of Entrepreneurship Education* features descriptions of the award winning, free enterprise education projects from the *2000 Hallmark Cards/Students in Free Enterprise International Exposition*. These applications have been selected as the best examples of free enterprise education in the United States by the Special Competition judges.

Special Competition: *AT&T Best Use of the Internet: Kindergarten Through High School.* This competition, sponsored by AT&T, recognizes a project for use of the Internet in providing free enterprise education to kindergarten through high school students. The top SIFE team for 2000 was San Diego State University and a description of the project is included in the following section.

Special Competition: *AT&T Best Use of the Internet: Aspiring Entrepreneurs and Small Businesses.* This competition, sponsored by AT&T, recognizes a project for use of the Internet in providing free enterprise education to aspiring entrepreneurs and small businesses. The top SIFE team for 2000 was Universidad Regiomontana, Monterrey, Mexico and a description of the project is included in the following section.

Special Competition: *BusinessWeek Best In-Depth Education.* This competition, sponsored by *BusinessWeek*, recognizes a project for free enterprise education. The top SIFE team for 2000 was Drury University, Springfield, MO and a description of the project is included in the following section.

Special Competition: *BusinessWeek Best Use of Mass Media.* This competition, sponsored by *BusinessWeek*, recognizes a project for the use of mass media in free enterprise education. The top SIFE team for 2000 was Southwest Texas State University, San Marcos, TX and a description of the project is included in the following section.

Special Competition: *Del Laboratories Economic Education Integration: Kindergarten Through High School.* This competition, sponsored by Del Laboratories, recognizes a project for free enterprise education integration at the K-12 level. The top SIFE team for 2000 was Northern Arizona University, Flagstaff, AZ and a description of the project is included in the following section.

Special Competition: *Del Laboratories Economic Education Integration: College Age and Adults.* This competition, sponsored by Del Laboratories, recognizes a project for free enterprise education integration at the college level. The top SIFE team for 2000 was San Diego City College, San Diego, CA and a description of the project is included in the following section.

Special Competition: *Visa USA, Inc. Responsible Use of Credit.* This competition, sponsored by Visa, USA, Inc., recognizes a project for free enterprise education concerning the responsible use of credit. The top SIFE team for 2000 was University of North Carolina- Pembroke, Pembroke, NC and a description of the project is included in the following section.

Special Competition: *United Stationer's Supply Company Make a Difference Day.* This competition, sponsored by United Stationer's Supply Company, recognizes a project for free enterprise education concerning ethical business behavior. The top SIFE team 2000 was Butte College, Oroville, CA and a description of the project is included in the following section.

Special Competition: *SIFE Teach a Child about Business Week Bizworld Project.* BizWorld is a simulation in which groups of students start their own businesses designing, manufacturing and selling friendship bracelets. This project taught business concepts while engaging students in activities that reinforced math, science, art, and language arts. BizWorld is team-based encouraging cooperation among group members. The top SIFE team for 2000 was University of Arkansas, Fayetteville, AR and a description of the project is included in the following section.

Special Competition: *Polsky Personal Investing to Achieve Financial Independence.* This was a special competition project to encourage SIFE teams to develop a program to teach fellow collegians the importance of saving and investing and how to achieve financial independence. The top SIFE team for 2000 was Louisiana State University- Eunice (LSUE), Eunice, LA and a description of the project is included in the following section.

Special Competition: *The Jack Shewmaker Spirit Award.* This competition, sponsored by Students in Free Enterprise, recognizes the SIFE team which best exemplifies the spirit of competition. The 2000 winner was University of St. Thomas, Houston, Texas and a description of the team is included in the following section.

SPECIAL COMPETITION AWARD

AT&T BEST USE OF THE INTERNET: KINDERGARTEN THROUGH HIGH SCHOOL

San Diego State University
Don Sciglimpaglia, Sam M. Walton Fellow

PROJECT DESCRIPTION

San Diego State University's Students in Free Enterprise team proudly submits the "Links to the Future" program for consideration in the *AT&T Best Use of the Internet- Teaching Youth (K-12)* Special Competition.

The purpose of the SIFE San Diego "Links to the Future" program is to assist schools in offering instruction and coaching on the use of the Internet in education. The "Links" metaphor refers to the hyperlinks of the World Wide Web. Students in elementary through high school are the target audience for this project. Our objective is to see to it that today's youth are better prepared to use the Internet and sources of information available via the computer .

To do this, we first developed three "Links" web sites, one designed for elementary school students and the other designed for middle school and high school students. This can be viewed at our main web site, http://www.aznet.net/~sife

"Hey Kids!", the name for our web site targeted at elementary schools, is designed with animation and graphics to make it visually appealing to students in that age group. It has five major parts that are internally linked from the home page. They include:

Fun with Science, where students can visit the San Diego Zoo, climb Mt. Everest, or watch a volcano explode;

1. **Familiar Faces**, where students can visit with friends like Bert, Ernie or Elmo and play fun games;
2. **Learn about the Internet**, where students can learn how to design and publish their own web page;
3. **History**, where students can visit the White House;
4. **Fun Stuff**, where students can visit with their favorite football and baseball players.

The web site designed for middle and high school students is titled, "Welcome to the Jungle". It is focused on helping students learn about the Internet, getting better grades in school and on homework assignments, and to begin thinking about going to college. Here, there are links to helpful sites for studying and homework, web page design, college planning, music, sports and fun things to do and see in San Diego.

Our "Hey Kids !" site and "Welcome to the Jungle" site can be seen at http://www.aznet.net/~sife/kids.html . Our Minority Educational Technology web site, "Virtually Cool Campus," can be seen at http://www.aznet.net/~farida/outreach.html Students can go directly to our two web sites to use the links provided.

In addition, we worked with local schools to demonstrate use of the Internet (using our sites as launching pads) and to provide other instructional services. We first contacted prospective. schools by using e-mail to contact principals and by designing a flyer, which was distributed within the San Diego Unified School District, the second largest school district. In all, our SIFE San Diego students worked with a total of 15 schools this year. Our next step was to travel to local area schools and meet with teachers and administrators and analyze their unique computer and Internet needs. After formulating a specific teaching plan that was unique to every school, SIFE students then returned and implemented the Internet teaching plans that were laid out. Since every school had very different needs, we felt that this was the best way for the students to learn as much as possible.

The areas in which our students assisted these participating schools included:

1. Demonstrations to classes on how to use various Internet search tools on the World Wide Web;
2. Showing how to research a specific topic that a class may be studying;
3. Demonstrating how to develop and publish a web site; and,
4. Creating web sites for specific classes and schools.

Some specific examples of SIFE San Diego's work is our Minority Educational Technology (MET) project, which is dedicated to reducing gang violence in the minority community by encouraging at-risk teenagers involvement in after-school classes that teach Internet skills and Web design. We helped nearly 60 students at two high schools by motivating them to stay in school and by learning about computers and the Internet including:

1. Familiarizing students with the differences between domain name, URL address and email addresses;
2. Learning about electronic commerce;
3. Showing students how to research the WWW for images to put on their personal web page.

Here are some examples of students' web page design:

http://www.aznet.net/~sife2/morse/manny/ and
http://www.aznet.net/~sife2/mose/jennifer/home

SIFE San Diego's “Links" team recently visited Hoover High School and provided instruction to 18 high school students on basic skills and effective use of the Internet. One main source for information was SIFE San Diego's instructional web site, "Welcome To the Jungle", which was specifically designed by us to teach students how to use the Internet to conduct research. SIFE San Diego began by reviewing basic steps needed to move around freely on the Internet and then explained the use of search engines (our site has links to popular search engines). At this point, students became involved with the presentation when they were asked to tell us the subjects they were interested in searching and, then, having them work at a computer with one of SIFE San Diego's instructors. This was an excellent opportunity to impart a great deal of knowledge to students who were largely unaware of information available on the Internet. We then ventured into "fun things” on the Internet by using our web site once again, since our instructional site has an abundance of links for fun things to do in San Diego. We then helped students open an email account to be able to communicate electronically. This was a nice change of pace for the students after having just learned a tremendous amount of new information. Overall, we had an excellent visit to some inner city schools and have been asked to return and again offer our "Links to the Future" instruction.

SPECIAL COMPETITION AWARD

AT&T BEST USE OF THE INTERNET: ASPIRING ENTREPRENEURS AND SMALL BUSINESSES

Universidad Regiomontana, Monterrey, Mexico
Eduardo Rodriguez, Sam M. Walton Fellow

PROJECT DESCRIPTION

PURPOSE:

Develop creative and innovative Internet projects to use as an electronic commerce vehicle to teach entrepreneurs and small businesses how to take advantage of the huge potential of the Internet.

COMPETITION CRITERIA:

- ♦ How creative and innovative was the project in teaching an entrepreneur(s) or local business(es) how to utilize or take better advantage of the Internet?
- ♦ How well did the SIFE Team document and quantify the results of the Internet projects on the client(s)?
- ♦ What substantive verification was received from the business(es) attesting to the project's overall effectiveness and relevancy to the client(s)?
- ♦ What is the future impact of the project on the business(es)?

BACKGROUND:

Our city has more than 10,000 medium and small entrepreneurs. A year ago, we identified that most of them do not have the knowledge to make use of computers or E-Commerce to improve their enterprises. That's why we designed, since then, a practical course about E-Commerce, which starts with the basic concepts of the Internet, then with a simple course about web design and finally the use of the Internet for doing E-business.

We received a letter from the Educational Secretary of our city's government, approving the quality and efficiency of our Internet courses, giving them official value in our community and allowing us to certify our students in their knowledge of this new tool.

This year we had several courses with a total population of 45 small and medium entrepreneurs.

IMPLEMENTATION:

We started with a promotional campaign for the courses in which we visited some enterprises, explaining the benefits of learning about the Internet and E-Commerce, and also inviting them to a conference to learn about E-business, which had an attendance of 220 entrepreneurs. This conference was held in November, 1999. There we taught the theoretical part of the Internet and E-Business, and because of this, 45 entrepreneurs got interested in the practical courses.

After a conference, in January, 2000, we did some practical courses just for entrepreneurs during 10 Saturdays from 8:00am-1:00pm or from 1:00-6:00pm. We taught them in an easy way how to use the Internet and how to do E-Business, always having in consideration the ethics as an essential part of E-Business.

At the end of the course the "students" have to do a web page for their enterprise with information about their products and with an e-mail for potential customers to have contact with them. By this time we saw that all of the entrepreneurs had an excellent performance using their learned abilities about the web and E-Business.

As proof of this, some of the web pages were loaded onto our server and ,for example, the web page done by a nuts producer which is pretty simple, is right now working as an excellent contact for the rest of the world. Actually, they have sold out all their annual production to a customer from the USA and another one from Guadalajara, Mexico. www.ur.mx/ur/sife/nuts

Some other web pages include:

www.ur.mx/ur/sife/aots
www.ur.mx/ur/sife/3bbb
www.ur.mx/ur/sife/titanes
www.ur.mx/ur/sife/consultores

As a thankyou letter from Juan Lorenzo Gonzalez M. Vitrocrisa, one of the participating entrepreneurs, states, “This course allowed me to develop in a better way in my job.”

Income:	$ 3,552 USD
Student Project Hours:	7 team members worked on each course 10 hours during 10 Saturdays for a total of 100 hours per member**.**
The Future:	We are sure that this project will last through the years. We already have filled the next two courses (100 entrepreneurs) which start a week after the International Exposition.

SPECIAL COMPETITION AWARD

BUSINESSWEEK
BEST IN-DEPTH EDUCATION

Drury University, Springfield, MO
Robert Wyatt, Sam M. Walton Fellow

YEA!: YOUNG ENTREPRENEURS ASSOCIATION
EXECUTIVE SUMMARY

With its commitments to individual opportunity, responsibility, ambition and hard work, entrepreneurship captures the very essence of the American free enterprise economic system and embodies the best of our democracy. Especially in an increasingly competitive technological, global marketplace, there is a growing need to cultivate an understanding and appreciation for the basic principles of entrepreneurship on a national and international scale. In response to this need, the Drury University chapter of Students in Free Enterprise has created YEA!, the Young Entrepreneurs Association. This organization provides an internationally accessible forum for disseminating lesson plans, classroom activities and other teaching ideas we have developed with our students to teach the basic principles of free enterprise education, entrepreneurship and the skills needed to succeed in the global market.

PRIMARY EDUCATIONAL OBJECTIVES OF YEA!

1. To develop a worldwide network of middle school teachers and students dedicated to providing educational material about free enterprise, market economics, the world of business, entrepreneurship and competencies necessary in the global economy;
2. To provide resources to these teachers and students, including classroom-tested curricula, supplemental worksheets, lesson plans, activity ideas and Internet access to our YEA! database;
3. To make entrepreneurial education "fun," as well as informative for teachers and students alike, by providing creative alternative methods of instruction.

PROJECT SUMMARY

Originated in August, 1998, as an idea to help one classroom teacher generate activities for her students, this project has literally exploded into an international educational program. Since our first chapter was granted in October, 1998, to Los Obispos Middle School in Laredo, we have expanded so that we now reach **over 6,000 students** in **301 chapters** from **46 states**, as well as chapters in Canada, Brazil, The Philippines, and Japan (as of 4/10/00). Through creative use of new communication technologies, YEA! allows classes of 6th and 7th grade students from around the world to participate in free enterprise education and, thus, prepares them to participate effectively in the global economy.

After completing a membership packet (which includes a detailed pre-test), teachers are provided computer passwords allowing them and their students to navigate our YEA! website. From the site, teachers download tested lesson plans on ideas as simple as supply and demand to as complex as the impact of inflation and competition on equilibrium pricing. For those teachers without Internet access, we provide printed lesson plans which can be requested from our toll-free number, staffed during normal business hours by the 40 members of our Students in Free Enterprise team. Additionally, we provide pre- and post-tests for all lessons, all of which have been pilot tested at a local middle school.

In addition to receiving a membership certificate and learning about business and entrepreneurship, all YEA! members worldwide are eligible to compete for prizes in several competitions. Past competitions have included a YEA! cheer contest, an essay competition and a business plan competition. The most recent revision to our site allows students to compete against each other in an on-line stock market simulation designed by one of our own SIFE members.

PROJECT RESULTS

YEA! has proven successful beyond our wildest projections. Middle school students were often neglected in the economic education literature and YEA! has filled a significant need for this population of young people. Consider the words of Dave Elliot, a principal from Marinette, WI, “You guys must have read our minds. This is exactly what we needed.” Our initial pre/post-test analysis showed an average improvement in learning of 50 percent. In addition to its impressive membership growth rate and educational effectiveness, the program has received favorable attention from national publications. For example, Rieva Lesonsky of *Entrepreneur* described YEA! as an educational program that was part of the "wave of the future" in economics education. YEA! has also been acknowledged in leading teacher resource websites and publications, including The New York Times Learning Network.

We have already created a comprehensive new curriculum dealing with the eight steps in the "creating your own small business” and will be distributing it to all member schools for implementation during 2000-2001. A paper detailing YEA! was presented at the annual Technology + Learning Conference in Dallas, sponsored by the National School Boards Association. We also exhibited the program for the 5,000 attendees as well as the 4,000 attendees at the Arkansas Education Association annual meeting in Little Rock. A paper evaluating YEA!'s success was recently honored as "Top Paper in Entrepreneurial Education" by the International Academy of Free Enterprise Education and will be published in the *Journal of Entrepreneurship Education.* Finally, YEA! received the prestigious Leavey Award for Excellence in Private Enterprise Education in April, 2000.

Perhaps our most ambitious effort was hosting three regional YEA! conferences across the nation during Spring Break in March, 2000. We organized, funded (with corporate support), and hosted meetings open to YEA! chapters. Conferences were held at corporate headquarters of SIFE sponsors including Wa1-Mart, Alberto-Culver, and GNB Technologies. In addition, we hosted a focus group of YEA! founding teachers in Ft. Worth during the week to insure the continual improvement of the organization and its ability to meets its mission and the needs of member teachers.

SPECIAL COMPETITION AWARD

BUSINESSWEEK
BEST USE OF MASS MEDIA

Southwest Texas State University, San Marcos, TX
Vicki West, Sam M. Walton Fellow

Southwest Texas State University Students in Free Enterprise respectfully submits, "What's The Latest News", a cumulative report of all mass media coverage for the Southwest Texas SIFE team 1999-2000.

PROJECT DESCRIPTION:

For the past year, SWT SIFE has focused on improving the visibility of our chapter's educational projects by penetrating new mediums of coverage while continuing to utilize our previously established resources.

CHAPTER OBJECTIVES:

- Enhance the reach of chapter programs for projects such as Junior SIFE and the Puppet Show.
- Communicate the positive role of SWT SIFE's programs by seeking publicity through the use of print, television, radio and Internet.

In 2000, Southwest Texas SIFE reached an overwhelming number of students and community members by integrating the use of mass media into several educational programs. Through the use of network television, local and international radio, professional journals, Internet, newspapers and local magazines, the impact of SWT 's projects were felt far beyond Texas, into other parts of the world. This year the Southwest Texas State SIFE chapter gained a global presence by focusing on the diversity of the SWT community and by extending past national boundaries.

Because San Marcos sits between Austin and San Antonio, two major metropolitan areas, the location of SWTSU has posed a continuous challenge for publicizing SWT SIFE. However, we did successfully satisfy criteria three, four, and five through the development and implementation of our projects, SWT SIFE used the mass media to promote and publicize our projects, free enterprise and the overall mission of SIFE.

Using 36 various media outlets, SWT SIFE has made 3,400,048 gross impressions (see following chart). SWT SIFE projects were promoted in such mass media outlets as *Radio Unda Libera* in Moldova, *KTBC/FOX* 7 *News,* and *the Journal of Entrepreneurship Education.* These are great steps in educating new and existing markets about the free enterprise system and also promoting the SWT SIFE chapter.

There is a huge need for leadership and entrepreneurial development within the San Marcos community as the city's population is quite economically disadvantaged in relation to the surrounding areas. In response to this need, SWT SIFE uses mass media to promote our most rewarding and entrepreneurial focused projects such as Junior SIFE and the Puppet Show

SWT SIFE taught high-school students about how to run a business, educated the community about the free enterprise system, and demonstrating initiative. SWT created three Junior SIFE teams at Canyon, Bowie and San Marcos High Schools where each team was required to perform three projects that satisfied the collegiate judging criteria. These teams were publicized in the *Austin-American Statesman, San Marcos Daily Record,* and three times on *KTBC/FOX* 7.

The Puppet Show, another first time project for the SWT chapter, taught grade-level children about responsibility, starting a business, obtaining a loan and making a profit through a lesson given by a family of puppets. It was publicized in the *San Marcos Daily Record* and the *Daily University Star.*

SWT SIFE feels confident that we have successfully achieved our media objectives this year .A summation of all of our mass media outlets is included in the chart on the following page. Please note media hit #6 in the San Marcos Daily Record, which is an unsolicited editorial on February 24, 2000. We are very proud of this recognition!

Mass Media/Public Relations Outlet	Reach	Frequency	Gross Impressions
Television/Radio			
KTBC 7 Fox Evening News (Austin Metro Area) 1. SMHS Junior SIFE 2. Cupcake Factory Puppet Show	13,000	2	26,000
KTBC 7 Fox Morning News (Austin Metro Area) 3. Tommy T-Rex/Junior SIFE (3) 4. Bowie Junior SIFE	8,000	4	32,000
KTSW 89.9 FM (SWTSU Campus) 5. 2nd Annual Etiquette (PSA)	24,000	108	2,592,000
Radio Unda Libera 102.7 FM (Chisinau, Moldova) 6. Responsible Use of Credit	200,000	1	200,000
Newspaper			
Austin American-Statesman 7. Cupcake Factory (December 30, 1999)	Circ: 190,044	1	190,044

Mass Media/Public Relations Outlet	Reach	Frequency	Gross Impressions
The Daily University Star 8. Seeds to Success (October 5, 1999) 9. 2nd Annual Etiquette Dinner (October 14, 1999) 10. 2nd Annual Etiquette Dinner (October 15, 1999) 11. 2nd Annual Etiquette Dinner (October 27, 1999) 12. International Fashion Show (February 3, 2000) 13. Life of a Check/Discovery Dollars (Febr 17, 2000) 14. Puppet Show (February 24, 2000) 15. International Fashion Show (March 1.2000) 16. International Fashion Show (March 2, 2000) 17. International Fashion Show (March 3,2000)	Circ: 9,000	10	90,000
The Free Press 18. Building Blocks of Free Enterprise (Dec 2, 1999)	Circ: 3,200	1	3,200
The New Braunfels Herald-Zeitung 19. Life of a Check (October 22, 1999) 20. Seeds to Success (December 10, 1999)	Circ: 10,500	2	21,000
The New Braunfels High School Paper 21. Life of a Check (October 7, 1999)	Circ: 3,000	1	3,000
Nolan Catholic High School Principal's Letter 22. "Stock Talk" (October 18, 1999)	Circ: 104	1	104
The Royse City News 23. Life of a Check (November 17, 1999)	Circ: 3000	1	3,000
San Marcos Daily Record 24. Seeds to Success (October 14, 1999) 25. 2nd Annual Etiquette Dinner (October 31, 1999) 26. San Marcos Jr. SIFE Cupcake Factory (2/2/2000) 27. Puppet Show (February 17, 2000) 28 Junior SIFE (February 23, 2000) 29. SIFE Positive Role in Community (Febr 24, 2000) 30. SWT SIFE Regional Champions (April 9, 2000)	Circ: 8,500	7	59,500
Winston Churchill Statesman 31. Stock Talk (March 31, 2000)	Circ: 3,000	1	3,000
Magazine/Web			
Hillviews (SWT Alumni Magazine) 32. International Competition (Fall, 1999) 33. Cupcake Factory (Winter, 1999)	Circ: 76,000	2	152,000
The Journal of Entrepreneurship Education (subscribers include all SIFE Team Advisors) 34. Best In-Depth Education (1999, Volume 2) 35. Best Use of Mass Media (1999, Volume 2) 36. Dell Laboratories Economic Education 37. Integration: Teachers (1999, Volume 2)	Circ: 1,400	3	4,200
SWT Internet (subscribers include SWT Students) 38. SWT President Supple's Convocation Speech	Circ: 21,000	1	21,000
Total	562,048	146	3,400,048

SPECIAL COMPETITION AWARD

DEL LABORATORIES ECONOMIC EDUCATION INTEGRATION: K-12

Northern Arizona University, Flagstaff, AZ
Lisa Borstadt, Sam M. Walton Fellow

PROJECT DESCRIPTION

NAU SIFE is actively involved in working to integrate free enterprise education in our schools, not only in our local community, but also in neighboring rural communities in northern Arizona. In addition to the four comprehensive projects described below, NAU SIFE continues to be actively involved with Junior Achievement and hosted a K-12 teachers conference this year with the Arizona Council for Economic Education to educate teachers about Arizona' s new economic literacy goals.

ELEMENTARY SCHOOL BUSINESS PROJECT

In its inaugural year NAU SIFE developed an educational project that teaches 4^{th}, 5^{th} and 6^{th} graders the fundamentals of running a business. SIFE students conduct six one-hour modules over six weeks. Throughout the delivery of the modules, the elementary students create and run their own small businesses. They design customer surveys, develop mini business plans, create their own advertisements, and construct income statements. The school children conceive, start and run their businesses through at least one production cycle prior to the closeout session. During this final class, SIFE students helped the children determine their business profit, decide whether to continue their businesses, and decide how to distribute their profits.

In the past four years this project has been delivered to 16 different elementary school classes in four communities in northern Arizona, reaching over 350 children. Please see Tab 1 for complete project materials and pre-and post-test scores for all three years.

YOUTH ENTREPRENEUR CAMP

To teach our youth the necessary skills to be an Entrepreneur in the New Economy, NAU SIFE developed a Youth Entrepreneur Summer Camp. The camp is scheduled for three one-week presentations this summer and will be taught by SIFE students who have attended a three-day training session to become certified entrepreneur camp counselors. The target market for this camp is low-income students ages 12-16. Students participating in the camp will develop their own business, write a business plan, forecast financial statements and create advertisements.

Other topics will include technology, E-commerce, and ethics. We have already secured $5,000 in funding from Arizona Public Service and School-To-Work and will be able to offer this incredible one-week camp for less than $100 per student. Please see Tab 2 for project materials.

ENTREPRENEUR STRATEGY WORKSHOP

In 1998, NAU SIFE developed the curriculum for our Entrepreneur Strategy Workshop, an interactive workshop designed to introduce students to the basic concepts of free enterprise and encourage young adults to consider entrepreneurship as a career choice. This project won a Five Star Best Practice Award from the State of Arizona. Over the past three years the workshop has been delivered to 14 different high school classes in five different communities in northern Arizona, reaching a total of 278 students.

Six major topic areas are covered in the workshop: free enterprise, entrepreneurship, marketing, ethics, financing and sources of assistance. Overall the workshop is structured to be highly interactive with breakout groups selecting a business, writing a small business plan, and designing 30-second commercials for their products or service. Additionally, several activities are incorporated to highlight important concepts, such as teamwork and the role of ethics.

The students also have to devise a business plan for a business they chose for their community. In this plan, they determine the target market, the average price for their goods, advertisements for their company, the location of the business, the hours of operation, and the products and services they would offer. We also informed students of the many sources of assistance and financing that are available for individuals.

In addition to the activity-based curriculum delivery, two of the classes we worked with this year simultaneously started and ran a business. The high school students at New Start operated Speedy Burritos, a business in which they made and delivered homemade burritos. Working as a team the students planned the marketing, production and distribution strategy. The students doubled their production goal, selling 201 burritos and netting $260 in profits. The class decided to use the profits to fund a geological field trip and donated a portion to feed a needy family on Thanksgiving.

At Sinagua High School students in the cooperative education programs, decided to sell holiday grams. The students took responsibility for acquiring the materials, advertising, selling, producing the grams, and distributing the final product. The class demonstrated excellent teamwork, netting a profit of $345, which will be used to fund a year-end banquet to recognize their class coop sponsors.

Pre-and post-test scores indicate increases in knowledge ranging from 10 to 38 percent. Please see Tab 3 for complete project materials.

MONEY MANAGEMENT/BUDGETING SEMINAR FOR HIGH SCHOOL SENIORS

For the third straight year, NAU SIFE's money management workshop has continued to provide sound advice by teaching money management and budgeting techniques to high school students. The lessons incorporated key principles including the 10 basic rules of money management, tips for being a smart consumer, how to prepare a budget, opening checking and savings accounts, and the effect of interest compounding on savings and debt. Over the past three years, this project has been delivered to 19 high school classes in five different communities in northern Arizona and has reached over 600 students. Please see Tab 4 in the appendix for complete project materials and prior year results.

SPECIAL COMPETITION AWARD

DEL LABORATORIES
ECONOMIC EDUCATION INTEGRATION: COLLEGE AGE AND ADULTS

San Diego City College, San Diego, CA
Barbara Hansen, Sam M. Walton Fellow

DREAMS TO REALITY

"Give a man a fish and you feed him for a day, teach a man to fish and you feed him for a lifetime."

WHAT IS DREAMS TO REALITY?

Dreams to Reality is a 32-hour job-preparation class developed by San Diego City College SIFE. In this course, we teach participants how to GET a job and be successful in KEEPING the job.

We include the traditional: Job search skills; Resume preparation; Interview techniques And the non-traditional: Business ethics; Customer service skills; Social attitude; Cultural awareness; Communication skills; Personal responsibility; Personal hygiene

WHO ARE THE PARTICIPANTS?

The participants include at-risk youth, welfare to work participants, ex-offenders, disadvantaged minorities, and people entering the job market for the first time.

WHAT ARE THE RESULTS?

Since its inception last October, Dreams to Reality has reached 168 participants, graduating 131 with certificates of achievement. Seventy-two have been placed in permanent jobs, and 43 are still in vocational training.

WHO ARE OUR PARTNERS IN THIS PROGRAM?

This SIFE project is conducted in collaboration with the San Diego Urban League. Most participants will be in vocational training programs at the Urban League and are referred to SIFE's Dreams to Reality as a first step in their training. After successfully completing our program and required technical training, participants have been hired by companies including: Wal*Mart, Costco, Wells Fargo Bank, San Diego City Schools and the City and County of San Diego.

HOW DOES THIS PROJECT FULFILL CRITERION 3?

Dreams to Reality views job preparation through the lens of the Free Enterprise System. We introduce the participants to the basic concepts of free enterprise. They grow to understand that their training helps them create value to bring to the exchange process in the market place. Their package of value includes honesty, integrity and the respect for the rights of others.

HOW DOES THIS PROJECT FULFILL CRITERION 4?

Dreams to Reality helps participants understand themselves and their skills as a product they are offering to the marketplace. Step one in their job preparation is to identify market need and then prepare themselves to fill that need. They must fully understand the role of business in the economy if they are to be successful in their job search.

HOW DOES THIS PROJECT FULFILL CRITERION 5?

Dreams to Reality provides participants with DIRECT skills to succeed in the global market. In addition to traditional job-preparation skills, we help them develop an awareness of cultural differences and how they can use this understanding to work effectively in a w diverse workplace.

SPECIAL COMPETITION AWARD

VISA USA, INC.
RESPONSIBLE USE OF CREDIT

University of North Carolina- Pembroke, Pembroke, NC
Cammie H. Fleury, Sam M. Walton Fellow

PROJECT DESCRIPTION

"While most students use credit cards responsibly, it is estimated that more than one in ten students do not. These students are at risk for accumulating a level of debt that can seriously undermine their future" (William Stanford, *About Campus*, Mar – April 1999).

Realizing that smart money management skills and the wise use of credit cards would help their fellow collegians achieve financial security and independence, the UNC Pembroke SIFE team implemented a *Credit Awareness* campaign. The first step in their campaign was to request that the Chancellor of the University proclaim the week of November 14th – 20th as *Responsible Use of Credit Card Awareness Week* at UNCE Pembroke. The Chancellor readily agreed to do this and commended the SIFE team for promoting money management skills among their fellow students. Once the team had the "blessing" from the Chancellor, it was able to receive help from University Relations to publicize the various events that were planned. The week consisted of the following activities:

POSTER CAMPAIGN

The SIFE team sponsored a poster campaign. They asked their fellow collegians to create posters about the wise use of credit and debit cards, and to offer some money management techniques. The posters came in quickly and were very creative. Once all the posters had been submitted to the SIFE team (150 submitted), the School of Business faculty judged them on hoe effective they were in carrying out the theme of ***Responsible Use of Credit Awareness Week***. The student with the best poster was awarded $15.00. After the posters were judged, the SIFE team "plastered" the campus with them. They were everywhere.

CREDIT PROMISE

SIFE members wanted to make sure that the 3,500 students who attend UNC Pembroke really understood the importance of good credit use. They figured the best way to do this was to reach each student individually. They developed a dual-sided "credit card." Their "credit card" consisted of one side with some basic credit rules and the other side was a credit promise. A local printer donated his services and printed the 3,500 cards at no charge to the SIFE team. It was not enough to just hand deliver these cards, but the SIFE members asked each student to read the promise and then sign the promise. The members asked their fellow students to carry their new "credit card" with their other credit cards and to place it on top, so they would always be reminded about the importance of good credit.

CREDIT MAN/ DEBIT WOMAN CONTEST

This contest was a weeklong contest. Two SIFE members volunteered to play the roles of *credit man and debit woman*. As *credit man and debit woman*, they walked around campus all week with a sign around their neck. Their sign indicated their role and how much money they had spent the night before on their respective card. The amounts changed on a daily basis. Students were asked to be on the look out for *credit man and debit woman* and to keep track of their expenditures. *Credit man's* sign indicated that his card had an 18% APR, that he carried a balance each month and only paid $20.00 on his balance. It also indicated what his balance was at the beginning of the contest. The student who accurately totaled the expenditures and how much the "real cost" was would receive a sweatshirt donated by the bookstore. The contest was a lot of fun and really helped the students realize what "charging it up" could do to their future earnings.

BRAVES FEUD (THE CREDIT AWARENESS GAME)

On Wednesdays between 10:00 AM and 11:15 AM, there are no classes on the UNCP campus. The SIFE team decided that Wednesday, November 17th at 10:00AM would be the perfect time for the **Braves Feud**. The game was open to all recognized UNCP student groups and organizations as well as athletic teams and residence hall groups. The game was played on the Chavis University Center lawn, which is the main gathering spot for students. There were 12 teams and each team had 4 members. The game consisted of multiple-choice and true/false questions about the use of credit cards and basic money management techniques. Team captains had to ring in with their team's answer; if the answer was correct their team scored 25 points and if it was wrong 15 points were deducted from their score. The game attracted not only the players, but also lots of audience members. We were using a PA system, so people in all directions were able to hear the game. It was such a success, the Student Activities Director has already requested that the SIFE team sponsor the game again next year.

CREDIT WORTHY WORKSHOP

The SIFE team had a Credit Counselor come to the campus and present this workshop. The workshop was open to the entire UNC Pembroke community. The presentation focused on annual percentage rates, keeping track of monthly payments, understanding of the terms to credit and debit card, the meaning of credit reports, and some common misconceptions. This workshop was attended by approximately 300 people.

E-MAIL CAMPAIGN

The SIFE team members obtained permission to gain access to the student listserve and everyday they would e-mail 3 – 4 credit rules or tips to the UNCP students. This enable SIFE to reach all students on a daily basis.

WAS OUR WEEK SUCCESSFUL?

YES! This competition was actually the first organized event for the UNCP SIFE team, since this is our first year with a SIFE team and because of the level of student participation across campus that we were able to reach in our various events, SIFE has now become **THE** organization on campus. It gained not only recognition from the student body but from the administration as well.

The SIFE team did conduct pre- and post-testing. The same questions were asked of the same students before any of the events began and then after all the events were over. SIFE members were responsible for testing 10 students each (250 total) and we then compiled the results. The post-test scores indicated that the student's level of understanding credit awareness issues had been increased. The average score on the pre-test was a 30 and the average score on the post-test was a 90.

SPECIAL COMPETITION AWARD

UNITED STATIONER'S SUPPLY COMPANY MAKE A DIFFERENCE DAY

Butte College, Oroville, CA
Alfred Konuwa, Sam M. Walton Fellow

PROJECT DESCRIPTION

Our Make a Difference Day Projects were aimed at increasing business literacy in the minds of business owners and young children; addressing the rising violence in the workplace and homes, and sensitizing business people to ethical business behavior. On October 23, 1999, Butte College SIFE effectively made a difference in the lives of over 300 people by conducting five projects in four areas of concentration extending across two communities and several age levels. The projects involved a strong community partnership, as banks, restaurants, business consultants, the Small Business Development Center, all contributed to offset our cost of Making A Business Difference. Our SIFE volunteers incorporated service learning into the projects allowing them to reach those individuals with their beneficial message, concentrating mainly upon families, youth education and small business ownership. Our goals of education were met successfully, which remains to be seen by documentation of the events by three newspapers and three radio stations.

Area 1 – Instilling Ethics in Young Entrepreneurs – Oroville Public Library, Oroville, CA

Butte College SIFE recognized the need for ethics education in the surrounding communities and, so, we addressed the problem in Oroville, CA. We did this be extending our youth entrepreneurship camp to more fully encompass the need for an ethical education in business to local elementary school students. Children from the Oroville area worked closely with SIFE volunteers and Mentors to learn more about ethics in business and marketing. The students received four weeks of instruction, ending climactically on the 23rd of October with a series of hand written letters from students to local business owners informing them of entrepreneurship and business ethics they had learned throughout the classes. The letters were accompanied by an ethics pledge delivered to each business owner individually.

Area 2 – SIFE Stock Market Awareness Booth – 1999 Chamber of Commerce Business Expo

With business in mind and stock statistics in hand, Butte College SIFE members went to work educating children and other community members about the basic principles of the stock market. From 10:00 AM until 6:00 PM, our SIFE members worked one on one with children and parents at the Chico Chamber of Commerce 1999 Business Expo, helping them to learn exactly what a stock is, how to read a statistics page and where stocks are traded. Once the brief lessons were over, each child was encouraged to take a small quiz on what they had just learned, that would allow them, upon passing the quiz, to get there name in the hourly drawing of a $50 gift savings bond donated by Tri-Counties Bank in Chico. The drawing concluded with over 50 names in the bucket and seven very happy young people. The booth was well received by the children's parents, who often walked away with just as much newly acquired knowledge as did their children.

For the students who had a keen interest in the stock market and showed interest in learning more, Butte College SIFE offered a continuing stock market contest. The contest required each child to invest 300 imaginary dollars in a stock and follow its trends for a one-month period. At the end of the month, each participant will sell the stock and two contestants who earn the most revenue from their investment will be awarded a savings bond of $00 from Tri-Counties Bank.

Area 3- Business Awareness Seminars, North Valley Plaza, Chico CA

Butte College SIFE helped serve the business owners of the surrounding area by offering two free business seminars at various locations in Chico, CA. The Seminars were entitled Conflict Resolution in the Work Place and Legal Issues for Small Businesses. Charlotte Lass of Action Consulting conducted the seminars that tackled controversial issues. Participants in the seminars left with a proactive attitude towards resolving problems in their own work places. As was shown in the concluding survey, it is clear that 100% of the participants involved in the seminars were pleased with the outcome and their newfound knowledge. Norman Hugart of Butte College conducted the second seminar. He examined many of the legal issues that small businesses face. Topics included the legal advantages and disadvantages of different forms of business, as well as complications involved in the start-up process.

Area 4 – Anti-Violence / Anti-Anger Management Workshop, Chico Center, Chico, CA

In the wake of the violent tragedies that have occurred in schools and work places throughout the past year, Butte College SIFE thought it appropriate to offer a series of three free seminars educating the public about what causes anger and how to prevent it. The first of the three workshops was held on Make a Difference Day from 9:00 AM until 12:30 PM. Sixty-six parents, teachers, mentors and students participated in a format that taught all how to recognize anger and potentially dangerous behavior in children and how to handle it. Dr. Brad Glanville, a Child Development professor at CSU-Chico, spoke at the seminar adding an expert's insight to the information that was presented. The first workshop was very well received around the community and Butte College SIFE looks forward to further serving their community at the subsequent seminars.

SPECIAL COMPETITION AWARD

SIFE TEACH A CHILD ABOUT BUSINESS WEEK BIZWORLD PROJECT

University of Arkansas, Fayetteville, AR
Frank Hall, Sam M. Walton Fellow
Michael D. Castleberry
Elmira Abdikarimova

PROJECT DESCRIPTION

BizWorld is a simulation in which groups of students start their own businesses designing, manufacturing and selling friendship bracelets. This project taught business concepts while engaging students in activities that reinforced math, science, art, and language arts. BizWorld is team-based encouraging cooperation among group members.

The BizWorld curriculum was developed by Tim Draper and is available for use by anyone teaching business at www.bizworld.com. The project is aligned with the National Content Standards in Economics developed by the National Council for Economics Education. Due to the need to improve economics test scores, the school principal supported the implementation of this project. BizWorld was conducted at Kirksey Middle School in Rogers, AR. The social studies teacher, Larry Cooper, conducted part of the unit with the SIFE volunteers.

To effectively implement this project, the project coordinator conducted a three-hour training session *for* the SIFE student volunteers and the classroom teacher. Student volunteers consisted of education and business majors. The training session enabled everyone to understand his/her role in the total project. Education students helped the business majors with teaching skills and the business students provided real-world examples and understanding for the project.

The Walton College of Business Administration SIFE team was working with five classes of 30 seventh grade students, totaling 150 students. The BizWorld project is the introduction to a semester project on entrepreneurship. The project was completed in 7 sessions held on February 9 -18. See schedule Attachment 1.

Each class was divided into 5 groups-firms, with 6 persons in each group. Every student had a position such as president, VP of finance, VP of marketing, etc. Positions were obtained by submitting an application form. Job characteristics were given for each position. The teacher reviewed the job applications and determined the firms and positions held by each student. Through holding a position in the company, students could understand professional opportunities available in business as well as basic concepts of the organizational structure. For positions, application form, and role cards, see Attachment 2.

BizWorld consists of four modules: Design Day, Manufacturing Day, Market Day, and Finance Day.

Design Day	encourages creativity by allowing each individual to create a bracelet design and prototype. Students learn about stocks and the stock market.
Manufacturing Day	teaches the importance of measurement and division of labor. Students learn about the different types of manufacturing approaches. They also make decisions on the type of financing choosing between equity and debt financing from the bank. They purchase materials, manufacture bracelets, receive pay, and determine the sales price for each bracelet.
Market Day	teaches students how to entice customers to buy their products. Students develop an advertising campaign and sell the product. Sixth grade students attended the Sales Bazaar.
Finance Day	emphasizes the importance of math skills and of keeping good records. Students learn financial statements and determine results of the simulation by creating financial statements using records they kept daily. See handout materials, cards for businesses and money in Attachment 4. Fundamental business terms and concepts such as profit, venture capitalist, banking, loan, advertising, etc. were learned by the students during each module. For vocabulary, see Attachment 5

Each company's performance was assessed, efforts were recognized and prizes were awarded for the best team and for individuals demonstrating outstanding skills for each profession. SIFE students provided prizes such as movie passes, gift certificates for books or CDs, and fast food coupons to accompany the certificates.

The demand for our services is high! Another teacher of social studies at Kirksey Middle School has requested that the Walton College SIFE team teach the project next year. BizWorld will be repeated in March in an after-school program for 12-14 year-olds at a local family center servicing disadvantaged populations. It will be given in Spanish for newly immigrated youths. A pre-test of economics and entrepreneurship understandings was administered. The results will not be available until the teacher completes the entire unit of study.

SPECIAL COMPETITION AWARD

POLSKY PERSONAL INVESTING TO ACHIEVE FINANCIAL INDEPENDENCE

Louisiana State University- Eunice (LSUE), Eunice, LA
Fred Landry, Sam M. Walton Fellow

PROJECT DESCRIPTION

This was a special competition project to encourage SIFE teams to develop a program to teach fellow collegians the importance of saving and investing and how to achieve financial independence. The four criteria were followed as the team prepared this very successful project.

The LSUE SIFE students developed a mutual fund portfolio for a hypothetical individual (Jason Jones) age 25 who would retire at age 55. Students acquired information on 40lK's, Roth IRA's, Variable Annuities, and Taxable Investments. We used these four investment vehicles for Jason Jones' investment portfolio.

Considering safety and return, LSUE SIFE students researched and obtained information on mutual funds that invest in U.S.A. stocks and that have beaten the S&P 500 Index with a 10-year annualized return of at least 20% in both up and down markets.

Using a 40lK as an investment vehicle, we chose Fidelity Growth Company as our mutual fund. This fund has been well managed by Steve Wymer since 1997 and concentrates on large-cap growth stocks with a 10- year annualized return of 25.58%.

For our Roth IRA, we chose Spectra fund managed by David Alger and David Hyun whose investment style is growth for long-term capital appreciation. This fund has a 10-year annualized return of 31.21%.

For the variable annuity, we chose the Janus variable annuity Capital Appreciation Fund managed by Scott Schoelzel who invests for capital growth. Scott also manages the Janus Twenty fund that has a 10-year annualized return of 28.10%.

For our taxable investment, we chose the Legg Mason Value Primary mutual fund managed by Bill Miller whose goal is to achieve long-term capital growth through value. This fund has a 10-year annualized return of 21.97% and was very tax efficient.

We then used this information to create a full-screen animated PowerPoint presentation, which included twenty-one slides, and four charts that referred to the above mentioned investment vehicles. These charts (created with Microsoft Excel) emphasized the power of compounding interest and graphically displayed potential earnings of $14,968,825 over a 30-year accumulation period (see assumptions in binder). In retirement, we explain how a person could withdraw up to $1,144,660 per year from age 55 to age 100.

The LSUE SIFE team presented four PowerPoint seminars attended by 346 students. Pre and post-test scores indicated a 24% increase in mutual fund knowledge. Over 200 students were given compounding interest calculators supplied to us by TIAA-CREF and brochures supplied by AIM Mutual Fund. A one-month contest was held for 212 students who selected two mutual funds each. The three students who had the best mutual fund performance were awarded $250 in prize money. SIFE team members also wrote a book on investing and mutual funds that was distributed to over 1,000 students (37% of the student population). The book, *Investing to Achieve Financial Independence*, included the following topics: Mutual Funds, Dollar Cost Averaging, Compounding Interest, IRA's, 401 K' s, Mutual Fund Glossary and, Mutual Fund Web Sites. Additionally, the book was placed on the LSUE SIFE web site: www .angelfire.com/la/sife , and the LSUE's web site: www.lsue.edu. This extended the number of people reached beyond our campus, into our community, our state, our nation, and the world.

The SIFE team spent over 650 hours on this project. We felt that this level of dedication was necessary to ensure the success of teaching students how to Invest to Achieve Financial Independence.

SPECIAL COMPETITION AWARD

THE JACK SHEWMAKER SPIRIT AWARD

University of St. Thomas, Houston, Texas
Anne Davis, Sam M. Walton Fellow

PROJECT DESCRIPTION

Success is a journey, not a destination.

Our mission is to educate people about free enterprise, with a focus on those least aware of its benefits. This mission statement is what drives the students on our SIFE team and symbolizes the spirit of SIFE. To our team, SIFE spirit is the spirit of sharing, not competing, with other teams to promote free enterprise.

We have done this in a multitude of ways:

- We have shared all of our projects won our two web sites
- We emailed every SIFE team with information about two of our projects
- We mailed packets to 14 SIFE teams who requested information about our projects
- We won the Spirit Award at Northeastern State University's Rumble by the River, a case competition
- We closely mentored Louisiana State University at Eunice, who won first runner-up at the International competition last year
- We developed relationships with four teams from Mexico at the Houston regional to work together on projects in Mexico
- We built a working relationship with two SIFE teams in Poland

Our greatest embodiment of the SIFE spirit was our work with Poland, a country who entered the free market economy in 1989. We first came into contact with SIFE Poland in early March via e-mail. Two weeks later we had raised enough money for one of our team members to travel to Poland to meet students in Warsaw and Poznan.

First, our SIFE team mentored the Leon Kozminski Academy of Entrepreneurship and Management in Warsaw.

- We offered two seminars to educate students about SIFE and to encourage students to start a team at their school
- We provided the team with materials on four of our projects to help them start projects in the fall
- We organized a meeting between LKAEM and Poznan College of Management and Banking to encourage local mentoring
- We shared our CyberPals project to foster collaboration between the two schools and ours

At Poznan College of Management and Banking:

- We held five seminars that discussed the importance of SIFE in market economies and the importance of communication studies and public relations in business fields
- We shared four of our projects with this team to help teach the elements of free enterprise to children in Poland
- We worked with PCMB using our Credit Card Monopoly game to teach 39 Polish 7th graders responsible use of credit

Within 10 years, we traveled to two cities and conducted ten seminars and one project for children, reaching 241 participants. Yet, our commitment did not end there.

When PCMB won their regional and notified us that they needed an American host school, we did not hesitate to help. Their SIFE team traditionally visits the US one-week prior to competition in order to acclimate to the time chance and to become more familiar with English.

The SIFE spirit is embodied in all of these activities. To us, SIFE is Sharing, Integrating, Fostering, and Encouraging other teams to their benefit, and the benefit of the communities they serve. In this way, we further meet our mission: spreading the benefits of free enterprise on a global scale.

For information relating to future Conferences and publishing opportunities, as well as current activities of the Allied Academies, the Academy of Entrepreneurship, and the Academy for Free Enterprise Education, refer to:

www.alliedacademies.org

For information relating to future Conferences and publishing opportunities, as well as current activities of the Allied Academies, the Academy of Entrepreneurship, and the Academy for Free Enterprise Education, refer to:

www.alliedacademies.org