

15.5: Review and Practice

✓ Power Wrap-Up

Now that you have read this chapter, you should be able to understand the opportunities and resources available to pursue a career as an entrepreneur.

- You **understand** that entrepreneurs have a dream and are willing to take the risk to change the way things are done and the way people think.
- You can **describe** the impact that entrepreneurs have on the economy.
- You can **discuss** the free market system in which entrepreneurs can thrive.
- You can **identify** reasons and motivations for being an entrepreneur.
- You can **recognize** opportunities for social entrepreneurialism.
- You can **describe** the elements of a business plan.
- You can **list** the different types of investors.
- You can **appreciate** the lessons learned from experienced entrepreneurs.
- You can **understand** what resources are available to help you realize your dream and start your business.

? TEST YOUR POWER KNOWLEDGE (Answers ARE BELOW)

1. What is entrepreneurship?
2. Name the government agency that oversees all policies and protects the interests of small businesses.
3. Why is a free market system a good environment for entrepreneurs?
4. Describe social entrepreneurialism.
5. Describe a business plan.
6. Name five different types of investors.
7. Identify at least one entrepreneur who inspires you.
8. List three resources that can help you to start your entrepreneurial journey.

? POWER (ROLE) PLAY

Now it's time to put what you've learned into practice. The following are two roles that are involved in the same selling situation; one role is that of the investor and the other is that of the entrepreneur. This will give you the opportunity to think about this selling situation from the point of view of both the investor and the entrepreneur.

Read each role carefully along with the discussion questions. Then, be prepared to play either of the roles in class using the concepts covered in this chapter. You may be asked to discuss the roles and do a role-play in groups or individually.

Pitch Your Plan

Role: Potential investor from Gateway Investment Partners

You have invested in several entrepreneurial start-ups over the years, and you are looking for the next great business idea. You've been talking to young entrepreneurs, but you haven't seen a business that you think is compelling. You're looking for a great idea and a smart, passionate entrepreneur who knows what it takes to build a business.

- What are the characteristics you are looking for in an aspiring entrepreneur?
- Is the idea a viable one? Does it have the potential to be profitable? Has the entrepreneur clearly communicated the opportunity in the business plan?
- Why would you be willing (or not willing) to invest in this business idea?

Role: Entrepreneur

You have an idea for a new business called FILL. It is a store that sells eco-friendly household cleaning products in bulk; customers buy a container or bring their own and fill each with products. Customers may also recycle any containers at the store. The products are sold by the ounce. Your philosophy is to make it easy for customers to save the planet. You have an

opportunity to get some seed money to start your business if you successfully pitch your business idea to the potential investor from Gateway Investment Partners.

- How would you sell yourself and your idea to a potential investor?
- How do you make your passion for the idea come alive?
- What are the key points in your business plan?
- How do you use your selling skills to secure funding from this investor for your new business idea?

? ACTIVITIES

1. Identify at least one local entrepreneur. Make an appointment to meet her and learn about how she started her business.
2. Watch the video book brief for Guy Kawasaki's book *Reality Check: An Irreverent Guide to Outsmarting, Outmanaging, and Outmarketing Your Competition* at www.bnet.com/2422-13724_23-243321.html. Describe the concept of "frame or be framed."

? TEST YOUR POWER KNOWLEDGE AnswerS

1. Starting a new concept as a result of an idea that fills a need and taking the risk to bring the idea to market.
2. Small Business Administration (SBA).
3. Free market system is an economy in which an individual's success is dictated by demand on the part of the consumer, not by the government, so it encourages entrepreneurialism.
4. Social entrepreneurialism: using the concepts of entrepreneurialism to bring about social change.
5. A business plan is a road map that includes the who, what, when, where, why, and how about the business or organization.
6. Bank, private investor (also called angel investor), venture capitalist, equipment leasing company, and government program.
7. Describe one of the entrepreneurs discussed in the chapter who inspires you.
8. Identify at least one resource from Table 15.1 .

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