

## 5.6: Case Questions

1. Smartphones are everywhere today. You probably have one nearby right now. However, access to landline phone service has not been complete for very long, and wireless service is not as widespread as many people might think. The first phone lines (landlines) connected Boston and Somerville, Massachusetts in 1877. The last town in the United States to receive landline service was Mink, Louisiana, a small community 100 miles south of Shreveport, which received landline service in early 2005. Check any major US wireless carrier, and its maps have gaps in service. Building networks of any kind takes planning, money, and time.
  - A. What are some similarities between an entrepreneur starting a new business in a new profession in a new market and a telephone service network?
  - B. How are the requirements for a telephone network infrastructure like those for a new entrepreneur?
  - C. What are some estimated costs, not necessarily monetary ones?
  - D. What are some benefits to an entrepreneur who enters a market with established networks?
  - E. How do established networks save the entrepreneur valuable money and time?
  - F. With limited resources, what criteria should an entrepreneur use to determine priorities of spending time, effort, and money in developing networks?
  - G. Does each criterion have equal weight? Why or why not?
2. The Internet Association (IA, <https://internetassociation.org/>) was founded in 2012 as a trade association devoted to Internet-based companies. Founding companies included Google, Amazon, eBay, and Facebook. These Internet-based companies founded this new trade group because they did not have a voice in Washington, DC, with respect to potential regulations and laws. The IA has synergy—more influence as a group than each company would have individually.
  - A. What prompted the formation of the IA?
  - B. Was it for marketing purposes?
  - C. Management support?
  - D. Industry advancement?
  - E. Regulatory influence?
  - F. What are some secondary purposes for the IA?
  - G. How might the original purpose of the organization shift as the industry matures?
  - H. Will small companies enjoy the same benefits of the larger founding organization?
    - I. Any new venture involves substantial risks and costs. How might a new Internet startup benefit from joining the IA?
    - J. How else do the large corporations benefit besides having a say in the political discussion in Washington, DC?
  - K. What time commitment should a new business make before expecting any positive return on investing time and money in a trade association?
  - L. If joining the IA requires a membership fee, what determinants should you use to place a value on the amount spent for dues?
  - M. What benefits of a trade association may be not easily linked to membership expenses?
3. In 1989, the new NFL owner of the Dallas Cowboys, Jerry Jones, fired the legendary coach Tom Landry and hired one of his former college football teammates, Jimmy Johnson, as the new head coach. Johnson faced the same problems that a new entrepreneur has: Who should be on my leadership team? What should be their responsibility? Out of twelve key coaching positions, Johnson kept only three coaches from Landry's staff in the same positions and moved one coach to a different position. Within four years (1993), the Dallas Cowboys, under head coach Jimmy Johnson, won Super Bowl XXVII with six of the original coaches Johnson hired his first year still in the same positions.
  - A. How is a startup similar to an existing organization that needs to be turned around? How are they different?
  - B. What are some reasons to surround yourself with others instead of taking the attitude that "I can do it myself?"
  - C. For any leader, what are some reasons that skills in identifying and recruiting key people are more important than technical skills?
4. Every four years, the United States elects a president. Although the incumbent might be reelected, the United States is guaranteed to have a new president at least every eight years. On winning the election, the new president must identify candidates for cabinet positions. Some potential candidates decline the invitation and voluntarily withdraw themselves from consideration. Those who accept the invitation are put through an intensive screening process. The president then submits

cabinet-level nominees to the US Senate for confirmation. As in any close group, recruiting and selecting individuals to join the presidential cabinet is critical for the president to achieve any objectives or goals.

- A. What kind of experience is beneficial to members of a board of directors for a local performing arts group? Should they be experienced in industry? Government? Fundraising? Management? Marketing? The arts?
  - B. Besides experience, what other type of backgrounds should be considered? What about board members' ages? Education? Gender? Residency? Financial Status? Connections to local or regional major employers?
  - C. What can a new entrepreneur learn from an executive director of a nonprofit about selecting candidates to build a winning team? How important is it that some candidates decline to join the board? How long should members be on the board?
  - D. How important is diversity in building a winning team? What skills must the entrepreneur perfect? What skills can be learned and developed later by the entrepreneur? Why is a variety of backgrounds, in the technical field and outside of the industry, important?
  - E. Who is the actual team leader? (1) Entrepreneur? (2) Strongest personality? (3) Smartest? (4) Most technically skilled? (5) Financier? (6) Most experienced in management?
5. Narciso Gómez has worked in the service department at an auto dealership for about twenty-five years and has served as the service manager for the past seven years. He is qualified for retirement through the dealership but wants to open his own business. He is looking at buying a franchise, either a Jiffy Lube quick oil-change franchise that is for sale or a new SuperGlass Windshield Repair franchise. Both are automotive service and repair related, where he has plenty of experience.
- A. Besides his technical skills, what does Narciso need to consider before purchasing a franchise business?
  - B. How might the estimated volume of work required to generate enough sales to cover his financial obligations affect his decision?
  - C. The Jiffy Lube business model requires a four-bay facility. What does Narciso need to calculate in developing his business plan?
  - D. The SuperGlass Windshield Repair is an on-site repair model whereby the technicians drive to the vehicle's location for work. What should Narciso's main concerns be in developing a business plan for this business model?
6. Han Jia-ying was an office manager for a construction company until she decided to be a stay-at-home mother with her kids. Her former employer has called her to take over some administrative work at home, such as payroll processing, payroll tax filings, bookkeeping, and other general administrative work. Her employer has said that some of his customers probably could employ her for their general administrative tasks.
- A. If she works from home, what type of scheduling issues does Jia-ying face? What might be some interruptions to her ability to meet specific deadlines, such as processing paychecks each week?
  - B. If Jia-ying needs additional help, what options does she have? Would she be wise to hire an employee or seek some support from someone else? Who might that be? What problems might Jia-ying encounter when seeking a nonregular employee?
  - C. Jia-ying will need new office equipment, including a new computer, a new scanner/printer, phone service, Internet connections, and so on. However, she is not tech savvy. How might she best manage working from home by herself, especially if something goes wrong or does not work?

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