UNIT I / LESSON 2

Entrepreneurs: Who Are They?

Time Frame
1 day

Standards
NES: Explain why people become entrepreneurs
NES: Describe the achievements of contemporary entrepreneurs

Guiding Question

Who are entrepreneurs?

Objectives

Students will be able to:

- Describe the achievements of various entrepreneurs.
- Identify some of the characteristics of successful entrepreneurs.

Teacher Background

This lesson is designed to help students gather information about characteristics that help to make an entrepreneur successful. Students will be working in small groups to answer questions related to a reading about a successful entrepreneur. After the groups complete their individual group assignments, each group will report information to the class as a whole. Students will also be relying on their listening and note-taking skills as they will need to gather information related to the entrepreneurs that they did not read about.

Materials/Resources

- Handout I.2—Entrepreneur Profiles
- Worksheet I.2—Entrepreneurship Scenarios Questions

Teaching Strategies/Supporting Activities

- Direct the students to form groups of 3 to 4; assign each group with one profile of an entrepreneur along with the handout Entrepreneurship Scenarios Questions. (Note: More than one group may be assigned the same profile.)
- Have each group read the profile and ask ***each student*** to answer the questions in handout.
- Provide time for each group to share their responses to the class.

Summary/Assessment

Ask students to answer the following questions:

- What did the entrepreneur set out to do?
- Was the entrepreneur successful (did what he or she set out to do)?
- Why do think that this entrepreneur was successful?
- Which characteristics were most important to the entrepreneur's success?

Follow-up/Homework

- Assign each group a different profile; have each student in the group answer the questions in Worksheet I.2.

WORKSHEET I.2—Entrepreneurship Scenarios

Directions: Answer the following questions based upon the scenario you have read.

1. What is this person's business?

2. How did this person come to start this business?

3. What obstacles did this person face in starting, growing and maintaining this initiative? How did the person overcome the obstacle?

4. What personal characteristics do you believe helped this person become a successful entrepreneur?

5. Compare yourself to this entrepreneur. What characteristics do you believe you have that match those of the entrepreneur you read about? What characteristics does this person have that you might want to develop?

HANDOUT I.2—Entrepreneur Profile #1

Madame C.J. Walker (1867-1919)

"I got my start by giving myself a start."
— Madame C.J. Walker

Sarah Breedlove McWilliams Walker, better known as Madame C.J. Walker or Madame Walker, together with Marjorie Joyner, revolutionized the hair care and cosmetics industry for African American women early in the 20th century.

Early years

Madame C.J. Walker was born in 1867 in poverty-stricken rural Louisiana. The daughter of former slaves, she was orphaned at the age of seven. Walker and her older sister survived by working in the cotton fields of Delta and Vicksburg, Mississippi. She married at age fourteen and her only daughter was born in 1885. After her husband's death two years later, she traveled to St. Louis to join her four brothers who had established themselves as barbers. Working as a laundrywoman, she managed to save enough money to educate her daughter, and became involved in activities with the National Association of Colored Women.

Inspired by need

During the 1890s, Sarah began to suffer from a scalp ailment that caused her to lose some of her hair. Embarrassed by her appearance, she experimented with a variety of home-made remedies and products made by another black woman entrepreneur, Annie Malone. In 1905, Sarah became a sales agent for Malone and moved to Denver, where she married Charles Joseph Walker.

Madam Walker's Wonderful Hair Grower

Changing her name to Madame C.J. Walker, Sarah founded her own business and began selling her own product called Madam Walker's Wonderful Hair Grower, a scalp conditioning and healing formula. To promote her products, she embarked on an exhausting sales drive throughout the South and Southeast selling her products door to door, giving demonstrations, and working on sales and marketing strategies. In 1908, she opened a college in Pittsburgh to train her "hair culturists."

The Walker System

Eventually, her products formed the basis of a thriving national corporation employing at one point over 3,000 people. Her Walker System, which included a broad offering of cosmetics, licensed Walker Agents, and Walker Schools offered meaningful employment and personal growth to thousands of Black women. Madame Walker's aggressive marketing strategy combined with relentless ambition led her to be labeled as the first known African-American woman to become a self-made millionaire.

HANDOUT I.2—Entrepreneur Profile #1 (continued)

Having amassed a fortune in fifteen years, this pioneering businesswoman died at the age of 52. Her prescription for success was perseverance, hard work, faith in herself and in God, "honest business dealings" and, of course, quality products. "There is no royal flower-strewn path to success," she once observed. "And if there is, I have not found it—for if I have accomplished anything in life it is because I have been willing to work hard."

Improved permanent wave machine

An employee of Madame C.J. Walker's empire, Marjorie Joyner, invented an improved permanent wave machine. This device patented in 1928, curled or "permed" women's hair for a relatively lengthy period of time. The wave machine was popular among women white and black allowing for longer-lasting wavy hair styles. Joyner went on to become a prominent figure in Madame C.J. Walker's industry, though she never profited directly from her invention, the assigned intellectual property of the Walker Company.

Madame Walker on herself

- "I got my start by giving myself a start."
- "I am a woman who came from the cotton fields of the South. From there I was promoted to the washtub. From there I was promoted to the cook kitchen. And from there I promoted myself into the business of manufacturing hair goods and preparations. I have built my own factory on my own ground."
- "I had to make my own living and my own opportunity. But I made it! Don't sit down and wait for the opportunities to come. Get up and make them."
- "One night I had a dream, and in that dream a big black man appeared to me and told me what to mix up for my hair. I made up my mind I would begin to sell it."
- "I am not satisfied in making money for myself. I endeavor to provide employment for hundreds of the women of my race."
- "There is no royal flower-strewn path to success. And if there is, I have not found it for if I have accomplished anything in life it is because I have been willing to work hard."
- "Perseverance is my motto."

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Mary Bellis, About.com. http://inventors.about.com/od/wstartinventors/a/MadameWalker.htm. Permission pending.

HANDOUT I.2—Entrepreneur Profile #2

Russell Simmons (1957-)

Russell Simmons heads an empire built by rap music. As cofounder of the pioneering record label Def Jam in the 1980s, he helped launch the careers of a number of important artists, such as Run-D.M.C. and the Beastie Boys. His empire includes a clothing line and even an energy drink, but it is his social activism that has caused some to say he might one day make an ideal mayor of New York City. Simmons is often described as the man who made black urban culture a part of the mainstream, but *Newsweek*'s Johnnie L. Roberts noted that "in the view of many, he is now emerging as potentially the most credible and effective leader of the post-civil rights generation."

Neighborhood was on borderline of rough

Russell Simmons was born in 1957 in Jamaica, a part of Queens in outer New York City. He was the second of three sons in his family, and both his parents were graduates of Howard University in Washington, D.C. His father was a teacher who eventually became a professor of black history at Pace University, and his mother worked for the New York City Parks Department as a recreation director.

The Simmons family moved to the Hollis neighborhood of Queens when Simmons was eight years old. Their home was near a corner that was a known meeting place for drug users and their dealers. His older brother, Danny, was pulled in by the scene and became a heroin addict. Russell seemed headed down a similarly sad road. He began selling marijuana while still in middle school, and for a time was a member of a local gang called the Seven Immortals. When he was sixteen, he shot at someone who tried to rob him. He was arrested twice on other charges and received a term of probation. Danny, however, wound up serving a stint in jail for drug use.

"Black culture or urban culture is for all people who buy into it and not just for black people. Whether it's film or TV or records or advertising or clothing, I don't accept the box that they put me in."

In 1975, when he was eighteen, Simmons began taking classes at Manhattan City College. He found a job at an Orange Julius outlet in Greenwich Village, but at some point he also financed his club-going lifestyle by selling fake cocaine. If he was caught by the police, he reasoned, he was not doing anything illegal, but Simmons of course faced a bigger threat from angry customers. During these years he hung out at the dance clubs of New York's outer boroughs, where the music was predominantly disco. But then a new movement filtered in, one that had come out of the roughest Bronx and Harlem neighborhoods: performers sang their own rhymes over a classic track, such as "Flashlight" from George Clinton (1941–). Simmons was at one such club in 1977 when he saw how wild the crowd went over one song from an early rapper and DJ named Eddie Cheeba, and he decided that this was the sound of the future.

His future, in particular. Simmons quit the fake drug business, and eventually left City College just a few credits short of a degree in sociology. He began promoting concerts, and then formed his own management company for artists, which he called Rush Management, after his childhood nickname. Some of the first rap songs ever played on radio were from his acts, including "Christmas Rappin'" from Kurtis Blow (1959–). He also managed Whodini, but it was the group that his teenaged brother, Joey (1964–), joined back in Hollis that put Simmons and his company on the map.

HANDOUT I.2—Entrepreneur Profile #2 (continued)

Krush Groove

The 1985 film *Krush Groove* was loosely based on Russell Simmons's life up until that point. It featured an array of top music acts from the era, from Run-D.M.C. and the Beastie Boys to LL Cool J and a young Bobby Brown when he was still a member of New Edition. It was directed by Michael Schultz (1938–), who made two earlier cinematic classics of African American urban life, *Cooley High* and *Car Wash.* Simmons was one of the film's producers.

Two decades after its release, *Krush Groove* has become a cult classic, a snapshot of the early days of rap music when cultural critics and record company executives predicted the style was simply a fad. A then-unknown actor named Blair Underwood (1964–) was cast in the role of New York City music promoter Russell Walker, owner of the label Krush Groove. One of his acts has a surefire hit, but Walker does not have the funds to press the records, and enters into a dangerous financial arrangement with local drug dealers and loan sharks. He also battles with one of his stars over another artist, Sheila E. (1957–), whom both want to date. The plot of the movie, however, was beside the point: Simmons wanted to showcase the array of young talent emerging from New York's black music scene, and depict its vibrancy, too.

Launched rap's first serious label

Joey was the "Run" in Run-D.M.C., which had a spare, hardcore style of rapping that was also full of clever humor and incisive social commentary. The group's first single, "It's Like That," was released in 1983 and set the tone for the rest of the decade. Simmons helped make his brother's group immensely successful, especially after he teamed with a white college student from Long Island, Rick Rubin (1963–), to launch Def Jam Records in 1985. With their first office located in Rubin's dormitory room at New York University, they emerged as the first big players on the rap music scene. The label's first single was from LL Cool J (1968–), "I Need A Beat," and helped bring Simmons and Rubin a distribution deal with CBS Records.

During the mid-1980s Simmons became known for his sharp ear and ability to predict the next big thing in music. He helped bring the Beastie Boys to a wider audience, and even revived the careers of the fading rock act Aerosmith, when Run-D.M.C. covered their 1975 hit "Walk This Way." The two groups even made a video together, which became a classic of MTV's first decade on the air. As *Fast Company* writer Jennifer Reingold explained, by 2003 "the marriage of hard rock and rap seems natural, two strands of the same teenage angst and anger. But in the mid-1980s, the idea that black street kids and white suburbanites could like the same music was shocking."

Simmons went on to shepherd such performers as Will Smith (1968–), when he was still the rapper known as "Fresh Prince," as well as Public Enemy, to mainstream success. When asked by model/writer Veronica Webb in an article in *Interview* whether he had "invented" the rap genre, he said no. "I didn't invent it," he explained, "but I was the first to believe that the artist was bigger than the song. Other labels believed that artists only live record to record. I didn't have that disco mentality that you threw the artists away after the song hit." He and Rubin dissolved their business partnership in the late 1980s, but Simmons moved on to conquer audiences elsewhere. He launched Def Comedy Jam, which introduced comedians like Martin Lawrence (1965–) and Bernie Mac (1958–) in the early 1990s, and it became one of the top-rated shows on HBO. In 1992 Simmons founded Phat Fashions, a clothing line, which began growing at a rate of about thirty percent annually over the next decade.

HANDOUT I.2—Entrepreneur Profile #2 (continued)

Expanded empire to serve community

Rush Communications became the umbrella group for all of Simmons's ventures. At one point early in the 2000s, these included an energy soda called DefCon3, a wireless phone he designed for Motorola that sold for $549, a joint venture with a top Manhattan advertising agency, a sneaker company with his brother, and the Rush Card, a prepaid Visa debit card aimed at the forty-five million Americans who do not have checking account or access to credit cards.

From left, rapper Eminem, Russell Simmons, Detroit mayor Kwame Kilpatrick, and Dr. Benjamin Chavis, CEO of the Hip-Hop Summitt, backstage at the 2003 Detroit Hip-Hop Summitt. AP/Wide World Photos. Reproduced by permission.

Simmons said the idea for the debit card came after someone suggested the idea of a prepaid phone card. While the pitch he heard sounded profitable, it was also a rip-off for the users. "I will turn away a deal.... Because people have dollar signs in their eyes," he told *Business Week Online* writer David Liss. "Making money is a pedestrian activity. The challenge is in creating a product or service that the world really needs."

As committed as he is to building an empire that keeps him at the top of the lists of black-owned entertainment companies in America, Simmons is also interested in moving forward on several new fronts. He launched the Def Poetry Jam, which was also carried by HBO and even became a Tony-Award-winning Broadway show in 2003, and he serves as board chair of the Hip-Hop Summit Action Network.

The summits are held in various American cities, and mayors regularly appear along with special guests like Snoop Dogg (1972–). They aim to raise political awareness among young Americans, and also serve as a voter registration event. The political power that Simmons was suddenly holding brought all the major presidential hopefuls of the Democratic Party—from John Kerry (1943–) to Al Sharpton (1954–)—to his summit to discuss issues late in 2003.

HANDOUT I.2—Entrepreneur Profile #2 (continued)

Devotee of yoga and Deepak Chopra

Simmons sold his remaining stake in Def Jam in 1999 for $120 million. Four years later, his empire was estimated to be bringing in sales of $530 million annually. Much of that came from his clothing line, which he expanded with his wife, former model Kimora Lee Simmons (1975–), to include Baby Phat and Phat Farm Kids. They sold a stake in their company in early 2004 for $140 million, in an attempt to bring it into more department and specialty stores. "When I started," he told *New York* writer Vanessa Grigoriadis in 1998, "they wanted to put me in the ethnic part of the department store. But Phat Farm's best-selling item is a pink golf sweater—it's not a grass skirt or a dashiki." Since then, Simmons has made Phat Farm competitive with such clothing lines as Polo Ralph Lauren and Tommy Hilfiger.

In his 2002 autobiography, *Life and Def: Sex, Drugs, Money and God,* Simmons recounts his business successes and the personal philosophies that keep him grounded. A vegan, he practices yoga daily and makes all his employees read *The Seven Spiritual Laws of Success* by Deepak Chopra (1946–) and then submit a report on the book. Some of his top executives began as interns at the company long ago. "I surround myself with people that share the same spirituality that I believe in," he told Liss. "People who are focused on living better and not just on being out for themselves. I want to be around people who aren't just money-oriented but are focused on how they can give back to the community."

Simmons enjoys a lifestyle that mirrors that of the most successful of his music legends, but it is also one that puts him in the same categories as corporate New York's biggest players. He has an office on the forty-third floor of a midtown Manhattan skyscraper, spends summer vacations in the Hamptons, and lives with his wife and two young daughters in a 35,000-square-foot mansion in Saddle River, New Jersey. He and his wife hosted a fundraiser for Hillary Clinton (1947–) during her successful bid for a New York State Senate seat in 2002, and he has also worked to overturn the harsh New York State statutes known as the Rockefeller drug laws. These date back to 1973 and the term of Governor Nelson Rockefeller (1908–1979), and force courts to give even first-time drug users long jail terms. Simmons has met with New York Governor George E. Pataki (1945–), and has traveled often to the state capital in Albany to convince legislators to replace these laws with more balanced sentencing guidelines.

Governor Pataki is just one of many high-profile New Yorkers who respect Simmons. According to *Newsweek*'s Roberts, fellow rap mogul Sean "P. Diddy" Combs (1971–) said that "Russell is raising the bar for us with our power to be responsible, not just for ourselves but for our people." Real estate mogul Donald Trump (1946–) told Reingold that "I consider him one of the great entrepreneurs out there today. He's a fabulous guy with a tremendous understanding of business.""

Simmons is sometimes mentioned as a future New York mayoral candidate, but he claims to have no political ambitions—other than using his platform to raise awareness about timely issues. These range from the war in Iraq to the New York City school budget. "I'm not telling people anything that's a shock," he said in an *Inc.* interview with Rod Kurtz. "Maybe I'm telling them things they've already heard before. But maybe because of my luck and success, they believe me."

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HANDOUT I.2—Entrepreneur Profile #3

Anita Roddick

Anita Roddick's life and work is all about storytelling. Legends and myths and stories that connect us and give us a sense of global community — while prompting us to buy her Body Shop skin and hair products. The stories she tells of the causes she supports or natural ingredients she uses in her cosmetics have brought her a net worth estimated at more than $200 million, making her one of England's wealthiest women.

The beginnings were humbler. The chairman of *The Body Shop* was born in 1942 and raised in the Southeast of England, near Brighton. Her Italian immigrant mother and American father ran a café where early on, Roddick says, she was instilled with an intense work ethic. "Any immigrant, you watch what they do with their kids. It's like legitimate child labor. From day one we were working in the café. There was no leisure; we don't understand leisure. The work ethic is so profound within the immigrant culture."

At ten, Roddick came across her first life-altering story. She got her hands on a Penguin Book about the Holocaust that contained photographs of concentrations camps. Her emotional reaction to what she read and saw "kick-started me into a sense of outrage or sense of empathy with the human condition."

That same year her stepfather died. Nine years later her mother had another story to tell that would profoundly affected Roddick. "My mom told me who my father was and it happened to be my Uncle Henry who was her second husband. Her first husband went to the grave not knowing that the final two kids were not his. So here she is telling me, this amazing story of romantic love. It's not going to shape me into being a sort of calm, meek little mouse."

In 1962 Roddick got a scholarship to study in a kibbutz in Israel. There, she says, the stories of political leaders like Castro and Che Guevara "were our vision…. It was no wonder when I set up my own little enterprise I was going to do things differently." Roddick returned to England after a prank got her expelled from the kibbutz. After holding several jobs, she took some savings and traveled through Tahiti, New Hebrides, New Caledonia, Australia and on to Johannesburg—her last stop. She was expelled from South Africa after going to a jazz club on black night, violating apartheid laws.

When she returned to England she met Gordon Roddick and the two were married in 1971, while she was pregnant with their second child. The couple owned and ran a restaurant and eight-room hotel and before long they felt overworked and needed a change of direction. With her approval, Gordon went off to ride a horse from Buenos Aires to New York City and Anita was left to support herself and her two children.

Out of a need for survival, Roddick concocted cosmetics from "every little ingredient with a story" that she had stored in her garage. She opened her first shop in Brighton with just 15 products, which she packaged in "five sizes so at least it looked like I had at least 100."

HANDOUT I.2—Entrepreneur Profile #3 (continued)

Asked why she chose skin care, Roddick replies: "Because it's storytelling. [In] every group I have spent time with, women will always corral around a well and tell stories about the body, birth, marriage, and death. Men only have conversations or memories about their first shave. But women will always use the body as a canvas, a playground. Even when they were taken to the gallows, women would always want to put some makeup on." The shop was thriving and by the time her husband returned from his 10-month trek, she had opened a second store and customers were asking if they could start their own Body Shop branches. The Roddicks set up a system of franchises.

The Body Shop has developed a reputation for supporting social and environmental causes, but Roddick bristles at the notion that *The Body Shop* is a cause marketer. *The Body Shop*'s activism "is not about marketing. This is not about one penny being spent in so-called cause-related marketing which is disingenuous. This is about having a passion to shout out and be persuasive about what you do."

And it's about telling the story. Roddick knows stories sell. "Sure they do," she agrees, "if they are authentic. In every pre-industrial group I have ever traveled with and been with, storytelling is the basis of their education. It is about the myths and legends. It's about what makes you divine, what separates you."

And it's a sense of separation that Roddick says makes her an entrepreneur. "If there is a criticism about my character—which is a legend in England—it's that [I suck] the breath out of you. But it's just an energy of ideas. Most entrepreneurs, good entrepreneurs, have been immigrants. We are outsiders. We don't dance to the same drum beat."

Gary Hamel, author of *Leading the Revolution*, agrees with Roddick's self-assessment. "She is absolutely an outsider. I mean if you listen to her, she is filled with vitriol around the traditional practices of the cosmetics industry. I have always believed that industries don't get reinvented by profits, but they get reinvented by heretics. People who can see the dogma, see the orthodoxy and then ask why, turn those things upside down."

And in doing that, creating your own story.

Adapted from www.myprimetime.com/work/ge/roddickbio/index.shtml