

## LESSON 2: THE ROLE OF THE ENTREPRENEUR

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**Focus Question:** *To what extent should we admire the achievements of America’s most successful entrepreneurs?*

### Objectives

**Students will be able to:**

- Discuss the traits possessed by most successful entrepreneurs.
- Explain the challenges facing most entrepreneurs.
- Examine the lives of some of America’s most famous entrepreneurs.
- Analyze the role played by entrepreneurs in the economy.

### Standards

**NES:** 1, 2, 14, 15

**ELA:** 1, 2, 3

### Materials

Text, pp. 208-212.

### Teaching Strategies

#### **Introduction:**

- Write the following names on the board: Russell Simmons, Bill Gates, and Donald Trump. Ask students to explain their answers to the following:
  - What do you know about each person?
  - What do these people have in common?
  - Why is each called an “entrepreneur”?
  - How important are people like Simmons, Gates, and Trump in the overall economic success of the U.S.?
  - What questions does this list of entrepreneurs raise for our class discussion?

#### **Body of lesson:**

- Distribute Worksheet 2A, “What is an Entrepreneur?” Have students explain their answers to the following:
  - Based on what you read here, what does it take to be a successful entrepreneur?
  - What does the author mean when he says a successful entrepreneur must “dream big dreams”?
  - Why is it so important to be a risk taker? Have passion? Believe in yourself?
  - How important is it to “take care of your people,” as compared with the other six secrets? Can you be a successful entrepreneur and not be a good “people person”?
  - Which of these secrets is most important to an entrepreneur’s success?
- Distribute Worksheet 2B, “Three Entrepreneurs.” Have students explain their answers to the following:
  - What do we learn about these three entrepreneurs from this worksheet?
  - What traits do these three people have that help explain their success as entrepreneurs?
  - What did you learn from reading about these three entrepreneurs that will be especially helpful to you in running our VE firm?
  - Which sentence did you underline in each account to best explain the success of these entrepreneurs?
- Distribute Worksheet 2C, “Entrepreneurs’ Hall of Fame” Complete the exercise on the worksheet. Then, as part of the whole-class discussion, have students explain their answers to the following:
  - What were some of things you learned about the candidate you proposed for the hall of fame?
  - What were some of the challenges your candidate faced in building his (her) business?
  - How did he (she) overcome those challenges?
  - How important was your candidate’s contribution to improving the quality of life of the American people?
  - If only one of the ten could be admitted into the hall of fame, which one would you vote for, other than the one you nominated?

#### **Summary/Assessment:**

- Have students develop an entrepreneurs’ hall of fame for the local community. Each student should nominate one person from the local community near the school. Have the class select ten people from the nominees as the first members. The VE firm could conduct a special ceremony honoring the incoming hall of fame members.

Worksheet 2A

## What is an Entrepreneur?

*Exercise.* This article attempts to define what it takes to be a successful entrepreneur. Place an "X" next to the "secret" below that represents the most important quality an entrepreneur must have to succeed.

By Steve Strauss URL: <http://www.Entrepreneur.com/article/0.4621.278014.00.html> (Permission pending.)

**Q:** Why are some business people more successful than others? I'm ready to start my own business, but I'm not sure I have what it takes. Any thoughts?

**A:** Yours is a great question and something I've often pondered. I've concluded that the best entrepreneurs know something that mere mortals don't. Here are what I call The Seven Secrets of the Great Entrepreneurs:

**Secret No. 1: Be willing to take a big risk.** Entrepreneurship is, above all else, a risk. When you quit your job to start a new business, there's no guarantee it will succeed, let alone succeed wildly. When Bill Gates dropped out of Harvard to start Microsoft, few people knew what a personal computer was, let alone the software for it. Cookie stores were nonexistent when Debbi Fields opened her first cookie store in 1977. If you'd asked Mrs. Field's back then if she thought her company would have grown more than 700 stores, she probably would've laughed the way others laughed. You often have to be willing to look like a fool to succeed.

**Secret No. 2: Dream big dreams.** Jeff Bezos saw something in the early 1990s no one else saw—that the Internet was growing a thousand-fold every year, even though back then, few had even heard of the Net. Great entrepreneurs have a vision, and they cling to that vision even if no one else sees what they see. His vision, Amazon.com, became not just the earth's biggest bookstore—it changed the world.

**Secret No. 3: Value the customer above all else.** This is another truth that Bezos lives by. To him and to Amazon.com, the customer is king. The same is true for Richard Branson, founder of the Virgin Group (Virgin Airlines, Virgin Music, Virgin Cola and so on). Branson always tries to provide tremendous value to his customers. For instance, he believed that many record stores suffered because the shopping experience needed to be more enjoyable and the staff needed to enjoy their jobs. Voilà! Virgin Megastores.

**Secret No. 4: Take care of your people.** This includes your employees, investors and stockholders. In 1913, Henry Ford wrote the following: "The wages we pay are too small in comparison with our profits. I think we should raise our minimum pay rate." Eight years later Ford, introduced the first 5-day work week, "Every man needs more than one day for rest and recreation." So too, P.T. Barnum, one of the great entrepreneurs ever, was loved by his employees. He paid good wages, shared profits and made many of his performers very rich.

**Secret No. 5: Persevere.** As I said, entrepreneurship is a risk, and as such, entrepreneurs often fail. Many entrepreneurs go bankrupt before they hit it big, but they stick with it anyway. In 1975, Microsoft revenues were \$16,000, and it had three employees. In 1976, revenues were \$22,000 with seven employees. Both years the company posted losses. Many companies would've quit after two years, but most companies aren't Microsoft.

**Secret No. 6: Believe in yourself.** Buckminster Fuller, inventor of the geodesic dome and countless other tools, was an unknown, unhappy man when he decided to kill himself in 1927. But before he could, he realized his problem had always been that he listened to others instead of himself. Then and there, he decided to trust his own intuition. Before he died, Fuller had revolutionized such disparate fields as architecture, mathematics, housing and automobiles.

**Secret No. 7: Have a passion.** Wayne Huzienga created Blockbuster Video, among many other businesses. "I don't think we're unique, and we're certainly not smarter than the next guy," says Huzienga. So the only thing I can think of that we might do a little differently than some people is we work harder, and when we focus in on something, we are consumed by it. It becomes a passion," says Huzienga.

Worksheet 2B

**Three Entrepreneurs**

*Exercise.* Read the accounts of Russell Simmons, Sue Scott, and Ray Kroc. Underline the sentence in these accounts that best reveals what helped each become so successful.

Russell Simmons - Def Jam

In the late 1980s, Russell Simmons was promoting rap concerts at the City University of New York. Most record executives thought rap was a trend that would run its course in a year or two, but Simmons really loved rap and believed it could be huge. For \$5,000, Simmons formed Def Jam records with fellow student Rick Rubin. They produced hit records by Run DMC and LL Cool J. Simmons eventually bought out Rubin and created the multimillion dollar Def Jam empire, which has produced the Def Jam comedy television shows, the record label, and the clothing line. Simmons took a chance because he believe that if you personally know ten people who are eager to buy your product or service, 10 million would buy it if they knew about it. Simmons and Rubin turned Def Jam into a huge success because they made a good team. Alone neither or them had enough money to launch a record label, but together they were able to do it.

Sue Scott - Primal Life

Sue Scott is a sculptor. She made her living working in galleries, but really wanted to support herself with her art. She never thought of herself as the entrepreneurial type, but she knew she was unhappy with her life. One day, she experimented with putting a light in one of her sculptures. She was so impressed with the result that she decided to go into business designing lights. One obstacle she faced was that she needed financing for her business and had very little money of her own. She used her credit cards for the capital she needed to make samples of her novelty lights. Scott named her company Primal Life and went to trade shows across the country to display her samples. After a lot of travelling, 95 sales representatives, from companies across the country purchased her line of dinosaur, fried egg, lizard, and other lights. Today, Primal Life’s annual sales are almost \$10 million.

Ray Kroc - McDonald’s

Maurice and Richard McDonald opened the original McDonald’s restaurant, a small hamburger stand in San Bernadino, California. Ray Kroc, a 52-year-old salesman, sold the McDonald brothers eight Multimixers, used to make milk shakes. When Kroc received the order for the machines—enough to make 40 milk shakes at once—from this small hamburger stand on the edge of the desert, he flew out to see the business for himself. Kroc found one of the most successful little restaurants in America, with sales over \$350,000 a year. The McDonald brothers knew they had a hot idea—cheap food and fast service—that could be expanded around the country. However, they had one problem—both brothers hated to fly. Kroc offered to form a partnership with them and help spread their business across the country. In 1961, Kroc bought out the McDonalds for \$2.7 million, but he followed their original recipe for hamburgers and dictated to all McDonalds that burgers must be exactly 3.875 inches across, weigh 1.6 ounces, and contain precisely 19 per cent fat. Big Mac buns should have an average of 178 sesame seeds.

Steve Mariotti, *The Young Entrepreneur’s Guide to Starting and Running a Business* (New York: Times Business Books, 2000). Permission pending.

Worksheet 2C

**Entrepreneurs' Hall of Fame**

*Entrepreneurs have made important contributions to the U.S. Assume you are on committee to create an "Entrepreneurs' Hall of Fame." In box "A" below, suggest 3-5 criteria for admission into the Hall of Fame (e.g., introduction of a product or service that significantly changed the way people live or do business). After developing the criteria, consider the list of candidates for admission in box "B." Research the careers of each of these people on the Internet. Find one you would support for admission into the Hall of Fame. In box "C," write a memo to the Director of the Entrepreneurs' Hall of Fame, giving the reasons why you believe that your candidate should be admitted.*

A. CRITERIA FOR ADMISSION INTO ENTREPRENEURS' HALL OF FAME:

B. CANDIDATES FOR ADMISSION INTO ENTREPRENEURS' HALL OF FAME:

Oprah Winfrey

Thomas Edison

Jeff Bezos

Henry Ford

Berry Gordon

Mary Kay Ash

Bill Gates

Richard Branson

Martha Stewart

Debbi Fields

C. MEMORANDUM

To:

From:

Subject: Entrepreneurs' Hall of Fame