

Contents

Boxed Features x
Case Topic Matrix xi
Preface xiii
Acknowledgements xvii
About the Authors xviii

1

Opportunity Knocks, Are You Ready?

1

Chapter Outline 1 ■ *Learning Objectives* 1

Developing an Entrepreneurial Mindset 5

Using Market Research to Find Your Customers 6

Summary of Learning Objectives 17 ■ *Key Terms* 18 ■ *AI Exercise* 18

Case Study: Howard and the Video Camera Invention 19 ■ *References* 19

2

The Entrepreneur Leader

21

Chapter Outline 21 ■ *Learning Objectives* 21

What Is Leadership? 22

Corporate Social Responsibility 30

Social Entrepreneurship 31

Summary of Learning Objectives 33 ■ *Key Terms* 34 ■ *AI Exercise* 34

Case Study: Dave's Sporting Goods 35 ■ *References* 36

3

Choosing Your Path to Business Ownership

37

Chapter Outline 37 ■ *Learning Objectives* 37

Buying an Existing Business 38

Starting a Business from Scratch 40

Purchasing a Franchise 41

Choosing a Business Form 47

Summary of Learning Objectives 48 ■ *Key Terms* 49 ■ *AI Exercise* 49

Case Study: Matt's Auto World 49 ■ *References* 50

4

Legal and Organizational Issues

51

Chapter Outline 51 ■ Learning Objectives 51

Legal Issues for Every Business Owner 52

Staying Legally Compliant 54

Summary of Learning Objectives 64 ■ Key Terms 66 ■ AI Exercise 66

Case Study: Sara Jane's Organic Catnip 66 ■ References 67

5

Human Resources for the Entrepreneur Manager

69

Chapter Outline 69 ■ Learning Objectives 69

Introduction 70

Recruitment 70

Maintaining a Safe Environment 71

Key Labor Laws 73

Employer-Employee Relations 73

The New Hiring Landscape 76

Training and Development 77

Employee Training and Development 78

Employee Incentive Programs 80

Federal and State Labor Laws 80

Tax Obligations 81

Summary of Learning Objectives 82 ■ Key Terms 83 ■ AI Exercise 83

Case Study: The Branding Iron Steakhouse 84 ■ References 84

6

Accounting for Profit

87

Chapter Outline 87 ■ Learning Objectives 87

The Three Key Financial Statements 90

What Is the Break-Even Point for Your Business? 91

Do You Really Need a Business Plan? 93

Nontraditional Lending Sources for Small Business Owners 94

Crime and Small Business 104

Summary of Learning Objectives 105 ■ Key Terms 106 ■ AI Exercise 107

Case Study: Rio Blanco Tex-Mex Café 107 ■ References 109

Chapter Outline 111 ■ Learning Objectives 111

Introduction 112

What Is Marketing? 112

Differences in Marketing for Small and Large Firms 114

Using Marketing Research to Find and Evaluate Opportunities 114

Environmental Scanning 118

Market Segmentation and Target Marketing 119

Positioning 122

Summary of Learning Objectives 123 ■ Key Terms 124 ■ AI Exercise 124

Case Study: Scott's Marine 125 ■ References 126

Chapter Outline 127 ■ Learning Objectives 127

Marketing Strategy and the Marketing Mix 128

Developing the Solution 129

Services 130

Branding the Solution 131

Valuing the Solution 132

Making the Solution Accessible 133

Educating the Customer About the Solution 134

The Marketing Plan 138

Summary of Learning Objectives 142 ■ Key Terms 143 ■ AI Exercise 143

Case Study: Donna Saunders Presents 144 ■ References 145

Chapter Outline 147 ■ Learning Objectives 147

Introduction 148

The Importance of Defining Vision, Values, and Mission 148

Organizations' Values or Guiding Principles 150

Basic Elements of an Effective Mission Statement 152

Establishing Organizational Objectives 155

Internal Analysis/SWOT Analysis 159

Summary of Learning Objectives 164 ■ Key Terms 165 ■ AI Exercise 165

Case Study: Rita's Tex-Mex Restaurant 165 ■ References 166

10

Developing Strategies

167

Chapter Outline 167 ■ Learning Objectives 167

Corporate Strategies 168

The Impact of Resources, Costs, and Distinctive Competencies on Strategic Choice 172

Evaluating Strategies for Existing Strategic Business Units 173

Value-Chain Analysis 175

Summary of Learning Objectives 176 ■ Key Terms 177 ■ AI Exercise 177

Case Study: Waterhaven Park 177 ■ References 181

11

Strategy Execution: Implementing Strategy

183

Chapter Outline 183 ■ Learning Objectives 183

Introduction 184

Implementation 184

Implementation Skills 184

Internal Implementation Issues 185

Organizing for Implementation 188

Total Quality Management 191

Structure 192

Developing Policies and Procedures 195

Assigning Implementation Responsibilities 195

Action-Plan Format 195

Summary of Learning Objectives 197 ■ Key Terms 198 ■ AI Exercise 198

Case Study: Caked Up! Food Truck 198 ■ References 200

12

Planning—Evaluation and Control

201

Chapter Outline 201 ■ Learning Objectives 201

Introduction 202

Integration of Planning and Control 202

Timing of Information Flows 202

The Balanced-Scorecard Approach 203

Revenue Control 205

Cost Control 207

Profit Control 208

Customer Feedback 208

Establishing Procedures 210

Ratio Analysis 213

The Planning Audit 215

Summary of Learning Objectives 217 ■ Key Terms 218 ■ AI Exercise 218

Case Study: Honeysuckle Acres Bed-and-Breakfast—Multichannel Distribution Strategy

for Success 219 ■ References 220

13

The Business Plan

221

Chapter Outline 221 ■ Learning Objectives 221

Do You Really Need a Business Plan? 222

Business Plan Outline 223

Organizing the Business Plan 224

Sample Business Plans 226

Nondisclosure and Noncompete Agreements 230

Summary of Learning Objectives 230 ■ Key Terms 231 ■ AI Exercise 231

Case Study: TJ Agribusiness Enterprises 232 ■ References 234

14

The Startup!

235

Chapter Outline 235 ■ Learning Objectives 235

Financing Your New Business Venture 236

Crisis Management 246

Impact of the Gig Economy 254

Surviving and Thriving During a Pandemic 256

Summary of Learning Objectives 257 ■ Key Terms 258 ■ AI Exercise 258

Case Study: Rita's Tex-Mex Restaurant and the COVID-19 Crisis 259 ■ References 260

Appendix A How to Write a Business Plan 261

Appendix B Cases 267

Glossary G-1

Index I-1

Boxed Features

Entrepreneur Profile Boxes

Chapter 1 Stephanie Stuckey 3
Sara Blakely 5

Chapter 2 Alan Mulally, Former Ford CEO and Servant Leader 23

Chapter 3 Chick-Fil-A 38
Madam C. J. Walker 40
Kylie Jenner 41
Mark Zuckerberg 41

Chapter 4 Elon Reeve Musk 59
Kate Hudson 59

Chapter 5 Magic Johnson 81

Chapter 6 Terrence Thomas Kevin O’Leary, a.k.a. “Mr. Wonderful” 94

Chapter 7 Johnny Morris 112
Mike Rypka 113
Andrew Ng and Daphne Koller 121

Chapter 8 John Paul DeJoria 128
Gary Vaynerchuk 130
Diwakar “Dee” Choubey 136

Chapter 9 Kay Koplovitz 149
Michael Saul Dell 151
Anne Wojcicki 154
Kevin Systrom 162

Chapter 10

Evan Spiegel 169
Augie Johnston 171
Jack Dorsey 172

Chapter 11 Jeff Bezos 184
Richard Ludlow 187
Cofounders: Ben Nowack, Tristan Semmelhack 190

Chapter 12

Nathan Blecharczyk 203
Taylor Swift 207
Sara Treleaven Blakely 209

Chapter 13

Daymond John 225

Chapter 14

Sarah Breedlove 238
Tomima Edmark 240
Sir Richard Branson 242

Entrepreneurship in Action Boxes

Chapter 1

Chris Johnson 13

Chapter 4

American Freedom Distillery 60

Boston Beer Company 60

Borealis Breads 62

Lundberg Family Farms 63

My Pillow 64

Chapter 6

Collin Street Bakery 88

Chapter 14

Entrepreneur Facts You Need to Know 237

Case Topic Matrix

Case	Chapters 1, 2, and 3 Opportunity, Leadership	Chapters 4 and 5 Legal Issues, Human Resources, Employment Laws	Chapter 6 Accounting, Managing Costs, Cash Flow	Chapters 7 and 8 Marketing Issues, Marketing Research	Chapters 9 and 10 Strategic Planning, Vision, and Mission	Chapters 11 and 12 Strategy Execution, Evaluation and Control	Chapters 13 and 14 Business Plan, Securing Financing
1. Stuckey's	✓		✓	✓	✓	✓	✓
2. Spencer Supply Company	✓	✓	✓	✓	✓	✓	
3. Unique Display Cases	✓		✓	✓	✓	✓	✓
4. Rachel Miller's Amish Whoopie Pies	✓		✓	✓	✓		✓
5. Honeysuckle Acres Bed and Breakfast	✓			✓	✓	✓	
6. Silver Dollar City and Herschend Family Entertainment	✓		✓		✓	✓	
7. Tadpole's Marine, LLC	✓			✓	✓	✓	
8. Blue Water Striper Guide Service	✓			✓	✓	✓	
9. Blackstone Services	✓			✓	✓	✓	
10. The North Texas Trap and Skeet Club	✓	✓		✓			
11. Surefooting Foundations, Inc.	✓				✓	✓	
12. Mears Power-T, Inc.	✓			✓	✓	✓	✓