Contents

	About the Authors Preface	xii
Part I Select	ing the New Venture	1
1	What's Entrepreneurship About?: Do You Want	
	to Start Your Own Business?	2
	Entrepreneurs and Small Business	4
	Pros, Cons, and Myths of Entrepreneurship Entrepreneurship Characteristics, Orientation,	8
	and Lean Entrepreneurship	13
	The Entrepreneurial Process	17
	Preparing to Become an Entrepreneur	19
	Chapter Review and Summary	21
	Review and Discussion Questions	22
2	New Venture Options: Do You Want to Start a New Business, Buy One, or Be a Franchisee or a Corporate or Nonprofit Entrepreneur?	28
	What Type of New Venture Do You Want to Start?	30
	Starting a New Business	32
	Buying an Existing Business	33
	Buying a Franchise	39
	Buying Licensee Rights	45
	Starting a New Venture as a Corporate Entrepreneur	46
	Starting a New Venture Nonprofit	50
	Family Business as an Entrepreneurial Option	57
	Chapter Review and Summary	60
	Review and Discussion Questions	62
3	What Business?: How Do You Find Opportunities and Develop a Business Model?	68
		70
	Creativity and Opportunity Developing Creative Skills	72
	Developing Creative Skills Entrepreneurial Characteristics for Recognizing	12
	and Exploiting Opportunities	76

	Opportunities in Trends	79
	Solving Problems Creates Opportunities	82
	Developing Your Business Model	86
	Other Options for Starting a New Venture,	
	and Entrepreneurial Behavior	96
	Chapter Review and Summary	99
	Review and Discussion Questions	100
4	How Do You Assess the Chances of Venture Succe Feasibility Analysis and Protecting the Business	ss?: 106
	Model Legally	100
	Feasibility Analysis	108
	Are Your Products and Services Feasible?	113
	Are Your Industry and Target Market Feasible?	116
	Are Your Operations Feasible?	121
	Are Your Profits Feasible?	124
	Is Your Business Model Feasible?	128
	Protecting Your Ideas and Intellectual Property Legally Other Options for Starting a New Venture, and	130
	Entrepreneurial Behavior	139
	Chapter Review and Summary	141
	Review and Discussion Questions	143
Part I	II ning the New Venture	147
5	Business Planning: What's Your Legal Form and Strategy?	148
		140
	From Business Model to Business Plan	150
	The Business Plan, Why It Is Important, and Resources	151
	Major Sections of the Business Plan	154
	Legal Form of Ownership	157
	Strategy Formulation of the Business Plan Other Options for Starting a New Venture,	166
	and Entrepreneurial Behavior	178
	Take It to the Net	180
	Chapter Review and Summary	181
	Review and Discussion Questions	183
6	The Marketing Plan: Who Are Your Customers?	190
	The Interrelationship Between the Marketing Plan and the Other Business Plan Components	192
	Identify the Target Customer and Forecast Sales	

	Place	203
	Promotion	205
	Advertising and the Media	208
	Other Options for Starting a New Venture,	
	and Entrepreneurial Behavior	215
	Take It to the Net	217
	Chapter Review and Summary	218
	Review and Discussion Questions	220
7	The Location and Layout Plan: What Facilities	226
	Do You Need?	226
	The Interrelationships Between Location and Layout	
	and Other Business Plan Components	228
	Selecting the Location	228
	Lease, Buy, or Build Facilities	241
	Facility Layout	244
	Sources of Information	250
	Other Options for Starting a New Venture,	
	and Entrepreneurial Behavior	250
	Take It to the Net	252
	Chapter Review and Summary	253
	Review and Discussion Questions	255
		Levi J J
8	The Operations Plan: How Will You Make	
	the Product?	262
	The Interrelationship Between the Production/Operations	
	Function and Other Business Plan Components	264
	Operations and the Transformation Process	264
	Supply Chain Management	270
	Inventory	272
	Scheduling	277
	Quality	284
	Other Options for Starting a New Venture, and	201
	Entrepreneurial Behavior	289
	Take It to the Net	290
	Chapter Review and Summary	291
	Review and Discussion Questions	292
0	Annitanti Directioni Directioni Directioni Directioni Directioni Directioni Directioni Directioni Directioni Di	214
9	The Human Resource Plan: How Do You Develop	
	the New Venture Team and Employees?	298
	The Interrelationship Between the Human Resources	
	Function and the Other Business Plan Components	300
	The New Venture Team	300
	The Human Resource Management Process	304
	Attracting Employees and Independent Contractors	309
	Developing, Retaining, and Terminating Employees	311
	1 0)	011

Management Succession and Fyit Strategies

313

	Other Options for Starting a New Venture,	24.4
	and Entrepreneurial Behavior	314
	Take It to the Net	315
	Chapter Review and Summary	316
	Review and Discussion Questions	318
10	The Finance Plan: How Much Money Do You Need?	324
	The Interrelationship Between the Accounting Function,	
	Taxation, and the Other Business Plan Components	326
	Financial Statement Basics	326
	Pro Forma Cash Flow Statement	334
	Breakeven Analysis	338
	Taxation	339
	Other Options for Starting a New Venture, and	
	Entrepreneurial Behavior	344
	Buying an Existing Business, a Franchise, or Leasing Rights	344
	Entrepreneurial Behavior	345
	Take It to the Net	346
	Chapter Review and Summary	347
	Review and Discussion Questions	349
Part III		
	ing and Controlling the New Venture	355
11	Sources of Funds: Where Do You Get the Money?	356
	The Interrelationship Between the Financial Function and	
	the Other Business Plan Components	358
	Determining Capital Needs	358
	Sources of Equity Financing	360
	Sources of Debt Financing	364
	Sources of Bootstrap Financing	367
	Government-Sponsored Agencies	369
	Other Options for Starting a New Venture,	
	and Entrepreneurial Behavior	371
	Take It to the Net	372
	Chapter Review and Summary	373
	Review and Discussion Questions	374
12	Controls: How Do You Keep the New Venture	
	on Track?	380
	The Interrelationship Between Control, Financial Analysis,	
	and the Other Business Plan Components	382
	Organizational Controls and Quality	382
	Budgets	386
	Financial Ratio Controls and the Balanced Scorecard	390
		0,0

Risk Management	397
Other Options for Starting a New Venture,	
and Entrepreneurial Behavior	399
Take It to the Net	401
Chapter Review and Summary	402
Review and Discussion Questions	403
Appendix A: Where Can You Get Help? Sources	
of Domestic and Global Assistance	410
Appendix B: The Business Plan Example	413
Notes	427
Index	438