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Teaching Entrepreneurship to an Extension Audience

What to Teach and How to Teach It

By

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University of Idaho Cooperative Extension personnel (including the authors of this paper) offer an extension course called Agricultural Entrepreneurship. The text for the course is "Tilling the Soil of Opportunity – NXLEVEL™ Guide for Agricultural Entrepreneurs¹." The course is coordinated through the Small Business Development Centers (SBDCs) in Idaho. SBDC personnel also teach the course at some locations (generally larger towns) around the state. They focus on a "non-ag." version of the course. The ag. and non-ag. versions of the course are very similar, and with minimal extra preparation the course can be taught to people with both ag. and non-ag. interests in the same class.

The course generally meets for three hours per week over a fifteen week period. In the last two years University of Idaho faculty have taught the course twice on campus and at least five times at off campus locations out in the state. About 90 students have completed the course over the two year period. Academic students are invited to take the course for three academic credits when it is offered on campus. A few such students have taken advantage of this opportunity.

Both the title of the course and the title of the text suggest that the primary focus of the course is to teach people how to be entrepreneurs. However, such is not really the case. The course really focuses on teaching people how to be manager-entrepreneurs.

What in the World is a Manager-Entrepreneur?

An entrepreneur is a person who sees opportunity, sizes up its value and finds the resources to make the most of it. Successful entrepreneurs have characteristics such as:

- Passion for what they do.
- Creativity and ability to innovate.
- Independence and self reliance.
- Self confidence.
- Willingness and capability for taking risks.

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¹ www.nxlevel.org

Entrepreneurs are usually thought of as people who start businesses. However, entrepreneurs can exist in other environments. Entrepreneurs can be found in large, complex, bureaucratic business firms and in all other types of organizations (government, academic, non-profit). In such organizations, entrepreneurs often make many other employees uncomfortable, because they are looking for new ways to do things and new things to do; and they are pushing their organization to move to follow up on new ideas.

Because they do not generally like to be constrained by organizational bureaucracies, entrepreneurs are probably most commonly found (or at least most easily identifiable) in small businesses. All owner-operators of small businesses, however, are not entrepreneurs. Many people who run small businesses took them over from someone else (purchased or inherited them). Such individuals may be very content to manage their business with little significant innovation or change. The lives of such business managers, and the lives of their families, are likely to be less stressful than the lives of entrepreneurs and their families. However, entrepreneurship will become important in such a business when markets change and the business declines. Then new ideas will be necessary to keep the business viable.

Management is the process of identifying and implementing strategies to make a business productive and profitable. Managers direct the use of a business' physical, financial and human resources to accomplish the goals toward which a business is directed.

Management skills include:

- Technical skills related to producing the products (goods and services) of a business.
- Technical skills related to marketing the products of a business.
- Organizational and human resource skills to help the people working in a business accomplish as much as they can related to the production and marketing of the products of the business.
- Financial skills to make the financial resources of the business go as far as possible relative to producing and marketing the products of the business.
- Abilities to break down complicated tasks into simple tasks and to organize simple tasks to accomplish complicated objectives.
- Abilities to analyze problems with an eye toward finding the most complete and efficient solutions.

Both managers and entrepreneurs need skills such as:

- Initiative.
- Abilities to work well with and influence others.
- Ability to take charge of things.
- Perseverance.
- Abilities to organize and plan.

Conveniently, the special characteristics of good managers do not conflict with the special characteristics of successful entrepreneurs. In fact, they complement each other. A good entrepreneur will be a better entrepreneur if he or she also has good management skills. And a good manager will be a better manager if he or she has good entrepreneurial skills. In today's dynamic, competitive economic world, business decision makers must be good at both management and entrepreneurship. In different specific situations, one type of skill may be more critical than the other. However, over the long term, for most businesses, both types of skills are needed in roughly equal proportions. So the people who successfully startup, manage, grow, and initiate and carry out change in today's businesses tend not to be just managers or just entrepreneurs, but rather versatile **manager-entrepreneurs**.

Full development of the skills of a good manager-entrepreneur is a never ending process. Substantial development of such skills involves a long and steep learning curve. However, such substantial development of skills is a practical requirement for success in:

- Creating a business.
- Expanding a business.
- Carrying out the substantial changes in a business that are often necessary to insure its survival (relocation, new products, new markets,...).

So What Do We Teach?

In our course at the University of Idaho we teach skills that are most important for manager/entrepreneurs as they endeavor to successfully startup and run businesses. These skills include:

- How to develop a clear sense of purpose for a business.
- How to develop business goals based on realistic expectations.
- How to identify and understand a firm's strengths and weaknesses relative to competition.
- How to target the "right" group of customers.
- How to specialize in solving customer problems.
- How to organize a business for maximum flexibility.
- How to create customer loyalty and repeat business by offering unique value.
- How to build enduring business relationships based on quality, honesty and responsiveness.
- How to keep close tabs on costs, pricing, and profits.

In other words, we teach a course in basic business management.

How Do We Teach It?

In order to help students quickly grasp the relevance of what we are teaching, and to try to keep them awake and mostly alert, we focus on each student developing a business plan for a business idea they are considering. They gradually build this business plan throughout the course. The NXLEVEL™ curriculum is centered on the business plan, and addresses various topic areas including, planning and research, legal organization, management, marketing, budgeting, financing and financial statements, cash flow, growth, and negotiations. By using the business plan as the centerpiece, participants are able to focus on the keys to success and formulate strategies to address them. Also, they know that if they finish the course successfully, they will have completed a well documented and thorough analysis of their business idea. In addition, if they wish to pursue their business idea, they will have something to show to lenders and potential investors.

Tailoring the course to the audience is essential for teaching adults. Often, the majority of the course participants have not been in a classroom environment for quite some time. They are not comfortable sitting and listening to a lecture for an extended period of time. It is a challenge to balance the time within a class to keep participants engaged. Format is key. It is important to present information in a variety of methods to keep everyone alert and on task. A typical three hour class consists of lecture, guest speaker, networking, and a hands-on activity. Networking opportunities and guest speakers add depth and quality to the class.

Discussion is a vital part of any course. This is especially true in multi-session adult education courses. Part of creating a productive learning environment is structuring the class to allow for discussion periods and for networking. Networking accomplishes at least two goals, first it gives the participants time to socialize and increase their comfort levels in the class, and secondly it provides an opportunity to make essential contacts. Often we assume that, if we are working in a small community, most of the people with whom we are working already know each other. In actuality, that is not necessarily the case.

Another component to a successful class is quality guest speakers. Course evaluations indicate that guest speakers are one of the most valuable components of a course. Guest speakers break up the monotony of a straight lecture course and provide a reality check for the course material. The question and answer periods with guest speakers are often the most useful, productive and enjoyable parts of a class. It is not often that small business owners and entrepreneurs have opportunities to visit with bankers, attorneys, accountants, insurance agents, etc. in a setting other than one where they are directly seeking the services of such professionals. One participant said, "The most valuable part of the course was interacting with guest speakers, because it taught me how to talk to those professionals."

Summary and Conclusions

So, do we teach entrepreneurship to extension audiences in Idaho?

The name of the course is Agricultural Entrepreneurship.

The focus of the course is on developing a pre-startup business plan.

What do we teach in the course?

We teach basic business management principles to demonstrate the importance of both entrepreneurship and management skills in planning, starting, and running a business.

How do we teach the course?

We focus on how to use basic business management principals to develop business plans.

Each student finishes the course with a completed business plan that they have developed for their own business idea.

A typical class consists of a lecture, a guest speaker, networking, and a hands-on activity. Networking opportunities and guest speakers add depth and quality to the class.

Is the course a success?

Definitely!

Every time we have taught the course, the class has been "full."

We get lots of requests through the year about when the next course will be offered.

In one remote, rural county in Idaho (pop. About 10,000) the course has been offered for three consecutive semesters and has been full (12 to 14 participants) every time. It is offered again in the fall of 2003.