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by

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Senior Project
Jepson School of Leadership Studies
University of Richmond
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INTRODUCTION

Our founding fathers brought with them the strongest of entrepreneurial spirits. They left the comfort of Europe and came to virgin soil in the New Land in the seventeenth century. They left the oppression of their homeland behind them in order to find new hope. Throughout the formation of our young country, the entrepreneurial spirit existed in the hearts of Americans. This spirit endured the years and allowed the United States to become the world leader in new ideas, business and industry, and virtually every other aspect of life. In recent history, though, this spirit gave way to big business and monstrous companies such as IBM and AT&T emerged as America’s leaders. Today, many suggest that large companies may not be the wave of the future and that the entrepreneurial spirit is being rekindled. Many new and smaller businesses are forming throughout the country and more of the work force is migrating toward these organizations.

The twentieth-century American entrepreneur is “someone who creates something different of value by devoting the necessary time and effort, by assuming the accompanying financial, psychological and social risks,” says Robert D. Hisrich and Candida G. Brush in the 1986 edition of their book, The Woman Entrepreneur. A University of Chicago economist, Israel Kirsner developed a more concise definition of entrepreneurs: “opportunity scouts” (Fraser, 1). This is not a new term, though. It actually derives its meaning from the Middle Ages in France where it meant between-taker or go-between
Some tend to think of entrepreneurs as difficult people to explain. Peter Kilby likened the entrepreneur to a "Heffalump," a fictional character in A.A. Milne's Winnie-the-Pooh stories. Like the Heffalump, the entrepreneur:

"has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in capturing him. All who claim to have caught sight him report that he is enormous, but they disagree on his peculiarities" (Dyer, 15).

The new wave in America's economy is that of entrepreneurs. These individuals represent the growing businesses and the economic backbone of this country. According to the Small Business Administration, the estimated twenty million small businesses in America today account for thirty-nine percent of the GNP, provide half of America's work force, and generate fifty-three and one half percent of all sales. America's entrepreneurs share a number of characteristics: "they are hard working, quick-thinking business people with a tremendous amount of energy and drive, who share a fervent belief in free enterprise" (Fraser, iii).

There are people out there living the true American dream. I admire those who are, or strive to be, visionaries changing the world for the better of mankind. Without the entrepreneur and his or her creativity and capitalist spirit, we would not have the great country we live in today. These individuals are the lifeline of our economy. They provide the innovative ideas and competition to keep this country at the forefront of the global market.
Many individuals shy away from the entrepreneurial stage because they are unwilling to take the rather big risk. This gamble can be financial, personal, or professional. Nonetheless, to most, the rewards that can follow are not weighty enough to overcome their fears. This is what makes entrepreneurs special. They are willing to take that chance. These "cowboys" of Corporate America amaze many and are envied by even more because they do what we all would love to: seize their own destiny. In the future, these entrepreneurs' small businesses will employ a majority of the work force. According to the Small Business Development Center, by the year two-thousand, eighty-five percent of the work force will be employed by a firm with less than two-hundred people. For that reason, we need more of these special individuals to learn the art of starting a new business.

The purpose of this project is to fill a void in the Jepson School's curriculum. We teach for and about leadership but in doing so, ignore the purest form of that subject—entrepreneurial leadership. This is where one takes an idea and sees it through to fruition. The leadership skills required to perform such a task are innumerable and we, as leadership scholars, stand to learn a great deal from those who have done it. It takes preparation and hard work to create a business, and much of this effort goes unbeknownst to the casual observer. This form of leadership pushes one's skills to the limit, and those who do not possess sufficient abilities are quickly swallowed up by the sometimes cruel business world. In order to succeed in such an endeavor, one must not only
have the skills but must also learn from those who have preceded. I intend to provide a resource which Jepson students, faculty, staff, and alumni can use when thinking about starting their own business based on information from a number of sources, the most important of which is current entrepreneurs.

This is not intended to be a “how to” book; it is merely a guide for those who are thinking about becoming an entrepreneur. Many things have to be considered before one can get a business started; mental preparation for what lies ahead is essential for the entrepreneur. This is where this project’s value will be realized. Current entrepreneurs have a great deal of experience, knowledge, and information to pass along. This project will utilize their offerings and combine it with current literature to provide a comprehensive study of entrepreneurial leadership. In doing so, it will temporarily fill the entrepreneurial void in the Jepson curriculum. Many Jepson students aspire to start their own business and they need someplace to begin their research; I hope this can be the place.

As was stated earlier, many more people will be employed by small business owners in the future. This means that there will be many more entrepreneurs tomorrow. Jepson students should have the inside track to starting their own business due to their superior training and understanding of what constitutes “successful” leadership. I want to give these students another leg up on the competition by providing them with some advice and helpful guidelines to follow while devising their entrepreneurial exhibition. Much of
one's entrepreneurial success or failure comes from preparation, or lack thereof, and this project should help in that regard.

At this point a distinction should be made between the entrepreneur and the typical small business owner. These two species are quite distinct and should not be confused. Entrepreneurial minds aim to build substantial companies, know that growth is the best antidote to failure, innovate and differentiate, focus on opportunity, have long-range vision, use change, take calculated risks, continually improve their skills, and have a high rate of success. On the other hand, the typical small business owners look to create jobs for themselves, cling to the status quo, imitate, provide basic services, focus on problem solving and coping, fear change, have a survival mentality, employ "mom and pop" techniques, and have a high rate of failure (Success 1193). This may be a harsh distinction, but it is one that must be made at this point. The "small businesses" referred to in this paper are those run by entrepreneurs and not typical small business owners. This is an important point because the terms will be used interchangeably and should not be confused.

I am one of the aforementioned students who dream of having their own business. My five-year plan includes getting oriented to a field for a few years, going to graduate school, and then starting my own business. It is for this reason that I chose entrepreneurial leadership for my senior project. I want to start learning about the skills required for my own benefit as well as the benefit of my readers.
Entrepreneurs fascinate me; the fact that they run a business in the manner which they prescribe enthralls me. So often in today’s big business, bureaucracy and incompetent superiors stifle growth, creativity, and potential successes. I have heard all the stories and do not want to be a part of any poorly managed organization. Such organizations breed a frustration that slowly corrodes the integrity of the business and its employees. I want to be free to follow my instincts, take calculated chances, and fail or succeed on my own merit. Entrepreneurs have this opportunity. I want it too, but I am not the only one... There are many others who share these sentiments.

LITERATURE REVIEW

The literature cited and included in this paper comes from a variety of sources. Some of the resources have come from current periodicals such as Success magazine, others were written about female entrepreneurs, and some information has come from the internet and "how to" texts. The entrepreneurial spectrum has been covered in the literature search. This is essential to get to the heart of this phenomena we have called entrepreneurial leadership. The information has been analyzed and cross-referenced across the rest of the literature in order to find the points of agreement and disagreement. Some books proved to be more helpful than others, but all of them played a part in this paper.
The first text I read during my literature search was *The Idiot's Guide to Starting Your own Business*, by Ed Paulson and Marcia Layton. I found this text to be extremely easy to read and user friendly. It reassures the reader that anyone can start their own business and this positive attitude exists throughout. Its best characteristic is how it investigates one's motivations for starting the company. One has to be extremely wary of the distinction between machoism and passion. Passion should fuel the entrepreneur's fire, not machoism, because otherwise the endeavor will be a complete failure. The other positives of this book are its explicit questions to help its reader find what business he or she wants to start and its discussion of goal and vision setting. These are important aspects of a new business, and this particular text stresses those issues.

This book has many positive aspects as well as some negatives. The positive outlook and the "anybody can do it" attitude is nice to hear while reading, and the text touches on a lot of different issues related to the subject. It is easy to read and excites readers to go out and start their own business. Herein lies a problem. The positive attitude is nice, but it is not entirely accurate; the fact of the matter is that not everybody can start their own company. They do not state this and it may be misleading. Another drawback to the text is that it is too broad. It touches upon many issues, which provides a nice overview, but it fails to delve into any of the specifics of many issues. This probably was never the purpose of the book, but one should know these things
before reading it. Overall, I would recommend this text but let the reader know that it should only be used as an introduction.

There is a plethora of informative texts on entrepreneurship that offer advice and discuss how one succeeds in this field. **Courtney Price Answers the Most Asked Questions from Entrepreneurs** is a practical text which gives a good overview of entrepreneurship. Price is an internationally recognized management writer, lecturer, and consultant. Her syndicated column appears in approximately 350 newspapers nationwide. She is also Director of the Institute of Entrepreneurship of Metropolitan State College in Denver. Price is well versed in this field and her text is very well written and organized. Hisrich and Peters are also well known entrepreneurial writers and their text, *On Your Own* is extremely helpful. It is broken down into five parts with many subsections. The parts move from The Entrepreneurial Perspective, to Developing the Business, straight through Financing and Managing, to Special Issues for the Entrepreneur. I found this work to be quite useful. These two authors have similar beliefs regarding entrepreneurs and the entrepreneurial process.

One of the books I used for this project was written for the classroom. *Entrepreneurship: Building the American Dream* is a well organized text with a variety of information. This variety of data is both the usefulness and downfall of the book. It covers many topics with a broad stroke but does not go into much detail about any of them. It has an excellent section on business plans and marketing and these areas are where the text became quite helpful. Another
text which was used for its information regarding marketing and business plan is 
James Halloran’s *Entrepreneur’s Guide to Starting a Successful Business*. 
Halloran’s text covers these subjects in great detail and, at times, is a bit too 
complex. These two texts complemented each other well, as the in depth and the 
broad stroke, in my search for information on marketing research and business 
plans.

Two texts I referred to often were devoted to the economics of 
entrepreneurship. David Birch’s *Job Creation in America* starts with Adam 
Smith’s Invisible Hand and springboards into how America’s smallest companies 
put the most people to work. This work in conjunction with John Case’s *From 
the Ground Up*, clearly and succinctly cover the economic result of 
entrepreneurs on both a macro and micro level. Statistical information, 
projections, and trends are outlined in these writings and, tempered with the 
other texts, provide an interesting set of information.

Interestingly, much of the literature I discovered was written about female 
entrepreneurs exclusively. I reviewed this information and found that 
generalizing some of the findings and checking them with the other texts yielded 
more data than I expected. Carter and Cannon’s *Women as Entrepreneurs* and 
Edie Fraser’s *Risk to Riches* are two gender based studies which found that 
females and males differ as entrepreneurs in specific areas. The gender issue 
could not be worked into this paper, but the generalizable information was.
I sent for information from the SBA and SBDC and was pleased when my mailbox was stuffed with information from them. They sent me volumes of literature which they provide aspiring entrepreneurs. This is where most of the information referenced to the SBA and SBDC comes from. Much of what they sent me is statistical, informational (seminars), and "how to" information. This data was useful in determining current issues entrepreneurs face as well as up to date knowledge regarding their progress. This was among the more reliable information I received because it came from governmental agencies who's job it is to help the small business owner.

The magazine *Success* has proven extremely helpful in the search for relevant literature. This periodical markets itself as "the magazine for the entrepreneurial mind." It is very good. It contains many articles devoted to assisting the entrepreneur. Some of the articles discuss such issues as trend spotting, dealing with competition, profit predicting, vision development, business value, technology, cost cutting ideas, and sales increasing ideas. It is extremely helpful for today's entrepreneur. It keeps its readers aware of new trends, new technology, and fresh ideas. This information is essential for a business owner to know in order to prepare for the future. Each issue is also full of pieces of advice from the "experts" as well as stories about those who have succeeded using innovative techniques. This is a periodical that the budding entrepreneur should not go without.
The literature I consulted comes from a number of disciplines and writers. This variety was needed to ensure an accurate picture of a complex phenomenon. I used something from every book I consulted and was sure to cross reference what I found. This wide selection of texts allows this project to get to the heart of entrepreneurship.

METHODOLOGY

The first thing I did in preparation for this project was visit the Career Development Center on campus and speak with the director, Arldy Ferguson. He directed me toward a number of resources available in their library. The literature he directed me toward was just the right place to begin my research. I chose to begin my preparation with a literature search and review.

I started with books. The Career Development Center and Boatwright Library have innumerable volumes of literature pertaining to entrepreneurial leadership. There were books on female entrepreneurs, how-to books, job creation, innumerable articles and magazines, and even a diary. These provided me with a strong educational foundation from which I could work. Beginning a new company requires much more than the average American would know and I found that I did not know nearly as much as I thought. This survey of available literature gave me the knowledge to take the next step in my information collection, interviews.
Leadership Metro Richmond is an excellent facility for business leaders in the greater Richmond area to take classes and formally learn about the phenomena we call leadership. It is also an ideal resource for a student to access information about business leaders in the area. I spoke with Tina Eggy, a member of the LMR staff, told her my task, and she put me in contact with a number of entrepreneurs in the area. From this list, I was able to meet with four of Richmond’s top small business owners: Pat Haynes, Ann Maust, Jim Popp, and Rita Ricks. Each individual told his/her own story and explained why and how they started their own company. This aspect of my research was fascinating. These individuals’ stories provided a significantly clearer picture of what entrepreneurial leadership is than did the literature. The “textbook” explanation is different that the real-life experience of a new business venture, yet one needs both in order to be prepared for the entrepreneurial experience.

While meeting with these engaging business people, I tried to set a date where I could come to their office and observe them. This turned out to be the third aspect of my research.

Entrepreneurs have a certain aura about them. It may be a result of some sort of passion for life or simply satisfaction with their employment. Whatever the case, it was interesting watching these people at work, dealing with clients, co-workers, and the unexpected. Other than the approach they had toward their jobs, though, these people did not seem to be out of the ordinary. They acted much like one would expect today’s business persons to act on the job. I found
this extremely interesting as well as encouraging. It does not take a supernatural force to become an entrepreneur.

The literature search, interviews, and observations left me with a great deal of information to synthesize. This proved to be a difficult process. While analyzing the information, patterns and underlying themes controlled my studies. I looked for agreement across a number of sources and accepted information from these sources as generally accepted truths. When discrepancies arose, the information was either studied to determine why, or discarded. Surprisingly, the wide variety of sources yielded a substantial amount of overlapping information. This was encouraging for a number of reasons: it validated much of the information, there was a great deal of generally accepted information to work with, and the method of analysis proved to be fruitful. Critical thinking, as well as analytical skills, were used to their fullest throughout this process in order to yield as much productive information as possible. There is an incredible amount of information available on the subject of entrepreneurship; the difficulty lies in sifting through it all. I feel that I chose a variety of sources—obtained through literature, interviews, and observation—and found helpful data related to entrepreneurial leadership.

RESULTS

Entrepreneurs' contributions and effects are growing in leaps and bounds. It is estimated that roughly five-hundred-thousand jobs were lost during the
eighties (Dyer, 2). Many of these were caused by a decline in smokestack industries and an increasing number of imports into this country. Over the last twenty years, large corporations’ dominant role has dwindled. These giants, which have restructured, downsized, reduced layers of management, and eliminated jobs, no longer have such a stronghold on the American economy.

As these large businesses have worked to get smaller, small businesses have grown. Suddenly, entrepreneurs could innovate, come out with a new product or service, carve out a niche and build a growing company without bumping into (or being swallowed up by) a giant competitor (Case, 89). The capitalist market rewards those with the cleverest product and the producers of such products are no longer only large businesses.

A major part of my data collection was interviews and observations of actual entrepreneurs. I met with four interesting people with widely differing businesses. Pat Haynes is the founder and president of a job hunting firm. Ann Maust created and runs a consulting firm focused on fundraising. Jim Popp has a new tutoring organization, and Rita Ricks created a new idea in her image consulting company. These individuals offered extremely insightful information and advice for my study of entrepreneurial leadership.

Today’s entrepreneurs have years of experience to pass along to their successors. Some of the advice I gathered from interviews is worth consideration. All of those interviewed had information to offer and three things were common among each of their offerings. An entrepreneur has to work hard,
have a vision, and love what they do. Hard work is the key to any successful endeavor and a vision keeps the effort focused. Love was an interesting piece of advice. If one loves what he/she does, the business day ceases to become work and is a passion or source of enjoyment. If the love is not there, it is not worth getting started. Anybody will offer advice and much of it comes from a biased point of view. I tried to sift through what was said during interviews and list helpful guidance.

People can always learn from those who have preceded them. Some of the other pieces of advice I gathered from talking to these four people is helpful. These entrepreneurs advocate little debt, workshops, and business plans. One should also keep up with politics, it will effect your business some day, as well as the news and changing demographics. An entrepreneur must read as much as possible about his/her industry in order to stay informed. Mental health is another interesting point I heard mentioned. This involves a balance between work-life and home-life. Time spent at the office should be dedicated to the business and time at home should be spent in enjoyment. The inability to leave work at the office can lead to dissatisfaction. This feeling can slowly deteriorate one’s mental health if not remedied quickly. This advice is given by virtually everybody and they warned tomorrow’s entrepreneurs about how difficult this can be. This brief listing was taken from a long list of advice and whittled down to avoid the unnecessary information.
Many individuals decide to create their own company. One of the questions I am asking is, “What motivates them?” The answer is not easy to find because the motivating factors behind people’s actions is often difficult to determine. The available literature lists volumes of factors but only a handful are consistent across the analyzed data. Money and independence (being one’s own boss) are the biggest motivating factors represented in the literature, but the remaining “secondary” factors are important as well. The traditional job frustrates many into becoming an entrepreneur, as does the challenge and excitement of a new venture. The need for control and desire to seize one’s destiny also motivates these individuals. Although these are difficult to pinpoint, they are the most commonly listed among the myriad reasons for entrepreneurial careers. Regardless of what one’s motivation is, it can only take them as far as their ability will permit.

Becoming an entrepreneur is not something that just happens; it requires dedication from the individual. Pat Haynes worked seventy hour weeks for three years before she made any money. Her stubborn refusal to give up kept her involved and led to her eventual success. Prior to getting started, one has to reflectively ask if he/she has what it takes. This work requires long hours, domestic sacrifices, complete dedication to a vision, and financial commitments which scare the common business person away. To become an entrepreneur, one should be able or willing to: take risks, learn from failures, maintain high energy levels, compete vehemently, manage stress, creatively solve problems,
recognize opportunities, set goals, and remain optimistic and confident. Most successful entrepreneurs are always alert and looking for new ideas. These are the people at parties who ask if anyone is using a product that does not adequately fulfill its purpose, who monitor the play and toys of children, and listen for that statement, "if only there was a product that would..." (Hisrich and Peters, 29).

Oftentimes, people struggle to determine if they have what it takes to succeed as an entrepreneur. Only each individual can answer that question, but if a more scientific measure is necessary for appeasement, they do exist (Appendix B). There are a great deal of questionnaires which can assess one's chances of success in an entrepreneurial role (Hisrich and Peters, 26-28). As with most scientific devices, the taker must be wary of the results and their application to each individual.

Many characteristics of entrepreneurs result in success, but others may lead to failure. Due to the belief that entrepreneurs accept responsibility for the business and prefer to do things themselves, they usually do not ask for help. This is a reason why so many new business ventures fail. Budding entrepreneurs must remember to ask for help from those who have expertise in areas where they do not. According to the Small Business Administration, one-thousand businesses (most less than five years old) fail every day (Case, 173). In order to avoid becoming a statistic, entrepreneurs should heed this advice.
Generating a new organization is always a risky endeavor. With risks come rewards, though, and the bigger the risk, the bigger the reward. Most people are risk averse and choose not to involve themselves in such endeavors. Future entrepreneurs can work to minimize the risk that they will assume, but many constants will remain. The risks that one should anticipate have been broken into two categories: financial and personal.

The risks involved in new ventures do not have to be as large as one would expect. The personal and professional risks remain constant from industry to industry, but financial risk can be minimized. For example, Ann Maust, founder of Research Design, Inc., lost her long-standing job and had no place to turn until she happened upon an available SBA loan. She applied for it, received it, and her start-up costs were covered. Jim Popp’s tutoring service, University Instructors, was initiated on one-thousand dollars. This covered professional looking letterhead, software, and office supplies (Appendix C). Financial risk can be large, but, as these people prove, it does not have to: it can be manipulated.

Risks are a fact of life for the entrepreneur. Knowing what they are can assist in preparing for and dealing with their consequences. When assuming the responsibility of creating a new organization one must always assume the financial risks involved. Financial risks can be minimized and depend upon the nature of the business. For example, service industries usually require low risk due to their small start-up costs, whereas large scale manufacturing requires a
great deal of financial risk. One thing the entrepreneur must expect is that his/her standard of living will decrease as will financial security, at least for some time. If this aspect of the process is keeping you from taking the chance, remember this (Baty, 10):

1. real risks may be less than apparent risks
2. you can always get another job if the company folds
3. savings can be rebuilt
4. corporation law limits liability to what you invested in the company

One inescapable aspect of starting a new company is that the majority of one's leisure time and energy will be spent growing the business. Personal time becomes a thing of the past as an entrepreneur. Vacations have a way of being postponed indefinitely, weekend get-a-ways go away, social invitations are usually unaccepted, and many meals get eaten on the run. The effect of this is difficult to gauge because of the uniqueness of people, but it certainly can strain household relationships. The key to managing this lifestyle change is creativity; find non-conventional times or situations, when time is available, to be with the special people (Baty, 12). This is a difficult situation which ends many people's entrepreneurial careers, but it can be dealt with. Rita Ricks, for example, found the early years of her image consulting firm extremely trying. She spent long hours in her office and had little time for anything else. She managed to eat lunch with her mother once a week, work out with her husband in the mornings and eat lunch with him twice (usually) a week.

The reason so many accept the risk involved with new enterprises is the expected rewards. The rewards make all the effort worthwhile. Wealthy
entrepreneurs are legendary (Bill Gates, Stephen Jobs, Thomas S. Monaghan); it is one of the few ways in today’s world to attain extreme financial success. Other bonuses entrepreneurs experience are: social contribution, professional satisfaction, esteem of peers, community status, and a sense of power. The possibility of these achievements is what carries the entrepreneur through the trying times. When weighing the cost benefits of starting a new business, many entrepreneurs compare their future as their own boss to the future in their present trajectory (Baty, 12). The rewards of ventures such as these can be titanic; but the decision to go after them is inevitably up to the individual.

If you are willing to take the risk and go forward, the next step is to determine what type of business to enter into. A large number of people decide to go on their own but many of them have a difficult time deciding what type of business to start. This is hard because, “finding a good business start-up company is directly related to the personal criteria of the individual, his or her interests, knowledge, experiences and skills, and whether there is a market for the venture idea” (Price, 49). This is a difficult step because it forces the individual to admit some personal things about him/herself and to find an idea that meets quite a few criteria. Once this decision has been made, though, the rest of the entrepreneur’s journey is usually a labor of love; he/she is doing something that they are skilled at and enjoy.

The entrepreneurs I spoke with started their businesses for a variety of reasons. Jim Popp graduated from the University of Richmond in 1992 and
wanted to have a business focused on children ever since. He has coached children all his life and loves working with them. Two years ago, he decided to “go for it” and has prospered personally and professionally as a result. Ann Maust lost her job and had nowhere to turn. After attempting a fruitless job search she saw an opportunity for an SBA loan and decided to start her own business. This business is in the same industry she was let go from, fundraising. She is skilled in this field and has benefited from the experience.

One of the questions most commonly asked by aspiring entrepreneurs revolves around the issue of where the opportunities for success lie. Opportunities exist everywhere. First of all, most new companies are not started with new or original ideas. In fact, many are current ideas repackaged for a new market; some are even straightforward extensions of an existing product, or products designed to fit into a niche between existing large competitors (Carter and Cannon, 78). These new versions of “old” products or services can result in a lucrative career but are not the only means.

Growing markets where innovation is high and entry is relatively easy are keys to achieving entrepreneurial goals. Such markets exist in the computer industry, ethnic products, health care, and biotechnology (Price, 4). Another market that piques the interest of many is in the service industry. Innumerable opportunities exist in this field. For example, delivering goods and services to customer’s doorsteps will increase in popularity. Today’s working household faces serious time constraints and will provide the demand for delivery.
Entrepreneurs now deliver groceries, videos, books, wine and beer, flowers, prepared meals, auto detailing, and pet grooming (Birch, 121). The demand for services will increase dramatically as a result of America's evolving family. Tomorrow's entrepreneur has to anticipate or create the new need and react to fill it; remember, opportunity knocks in the most unlikely places.

Rita Ricks said that an entrepreneur must keep abreast of changing demographics. This knowledge will allow people to foresee what services will be needed in the future. Trends in lifestyles and tastes, Rita states, often provide chances for new services.

New businesses conducted by individuals do not always take place in the traditional office setting anymore. Many more new organizations are being run out of the home. Actually, twenty to thirty million operations now take place in a home setting. By the year two-thousand, it is predicted that one out of three persons will work full-time from home (Price, 2). This is a staggering figure that must be addressed. The benefits to this practice are obvious and abundant: no unproductive time commuting to the office, a comfortable work setting, less rent/facility cost, and significantly less time wasted with office “chit-chat.” This situation is not all roses, though. Sometimes people let their personal lives creep into their workday and eventually experience less productivity because their time gets wasted conducting personal business around the house. An idea to avoid this problem is to have two phone lines, one business and the other personal, with an undisturbed office where, during work hours, all time is
dedicated to the business. These possibilities may help minimize the common
problems associated with this type of office. The home office is a popular
phenomena among today's entrepreneurs and, used correctly, it can prove itself
extremely valuable.

Jim Popp and Rita Ricks currently work out of their homes. They realize
the possible pitfalls involved with this work setting and make an effort to avoid
them. Each of them has "work hours" when they are in the office. It is rare that
they allow themselves to be distracted from work by home related issues. The
nice part of this situation is that when they do have to leave, they can. This
situation also allows them to be more productive. Jim wakes up, showers, eats
breakfast, and walks across the hall to his office. No time is wasted. Rita
awakens at the rooster's call, performs household chores until eight o'clock, and
relegates herself to the office upstairs until dinner. Both of these people
structure their day to allow for the most effective work-time.

Prior to initiating a new business idea, a market analysis is absolutely
essential. The purpose of market research is to determine what consumers want
so that a business can tailor its products or services to their needs. There are
three main areas to research before starting a small business: competitors,
consumers, and product or service. Each of these areas needs to be examined
in order to have a strong understanding of the market in which a product will
exist (Riehm, 68).
Market research should always begin by analyzing the competition. This action is quite useful in finding whether an idea will be successful or not. In performing a thorough analysis of the competition, a number of questions need to be answered. The number of competitors in existence, the prices they charge, and their success level all need to be determined. The number of competitors can be gleaned from the Yellow Pages, and annual reports or simple visits usually provide a good picture as to their success level. Also, the location of the competition and how differences in it seem to affect success should be looked at closely. While looking for this information, do not forget to investigate the services they provide. Do they offer the latest in service? This research will help direct the business in a more successful direction (Riehm, 70).

The most important entity of today’s business world is the consumer. How consumers select products or services dictates any given organization’s opportunity for success. The best way to find this information is to ask. One does not have to go far to find this information, people in the surrounding community can provide it. Simply ask them a few questions. What do consumers like and dislike about products already available? How do they choose the businesses they use (by price, advertising, recommendations, discounts, convenience, or service)? What do consumers want that is not available in your area? Another important area to probe is where your potential customers live. For example, if you are looking to open a toy store, you want the store located near neighborhoods with a high percentage of children (Halloran,
33). Questions such as these help the entrepreneur to focus his/her product or service and determine whether or not people will purchase it.

Jim Popp saw a trend and an ideal opportunity and jumped on it. He noticed that the rate of double income families is growing rapidly. Children often suffer as a result because parents have less time to spend playing with them and monitoring their homework. Jim thought that a tutoring/mentoring program would be accepted in this area. He also saw the University of Richmond and its service minded students as an enormous resource for tutors. Both are in this area, he got them together, and a prosperous marriage was formed.

Consumers will react to the new product or service in one manner or another. They will buy it or they will leave it alone. Prior to investing much money into a new venture, the idea should be tested with as many people as possible. The actual questions asked will depend on the type of business chosen, but a few can be used universally. The entrepreneur should find how people will react to the business name, if they understand the business concept—what is being sold, how often they would use it, if they currently use a competitor’s product, or would they be willing to pay more for a superior product or service. It is also helpful to know what people like and dislike about the proposed product or service and whether or not they have any suggestions for improvements.

Market research is an essential step in the entrepreneurial process: "One of the biggest reasons for failure in starting a new business is that many
entrepreneurs, excited about a new business, start without doing any research at all" (Riehm, 68). The superiority of the product or service makes no difference if nobody wants it. Market research does not have to be expensive or sophisticated. One of the most effective methods is talking to people; it is surprising how willing most people are to offer free opinions or advice. This stage can often dictate if and how successful a new business venture can be.

"Exciting business ideas. Dreams of profit, wealth, and freedom. These are the beginnings of the entrepreneurial urge. But success in bringing the dream into reality requires hard-headed thinking and a plan - a business plan" (Conant and Easton, 57). Not only is a business plan one of the most difficult phases of the entrepreneurial process, it is also one of the most important. Without this plan, it is extremely difficult to ascertain any sort of financial backing. A well devised business plan allows the entrepreneur to demonstrate the feasibility of his/her idea, spell out the steps toward profitability, as well as provide for resource allocation and risk analysis. A business plan is important because it helps to restrain the impetuous or poorly timed actions of the overly enthusiastic entrepreneur; it keeps him/her from over extending him/herself and provides a guide for measuring success.

An actual business plan can vary in specificity and length (10-100 pages) depending on the type of business. There is no standard format and "expert" suggestions are as plentiful as leaves on trees. A possibility that I created combines all of the aforementioned information in this paper and is as follows.
There are six sections and each contains as much or as little information as the entrepreneur sees fit.

1. Product (description and production) or Service
2. Target Market- Who and where are the customers?
3. Competition- Who satisfies these customers now and how?
4. Marketing- How will the business find and reach its customers?
5. Management- Who will run the company and how?
6. Finances- Profit and net worth projections; how to raise capital?

Launching a new business endeavor is a difficult process. A little solace can be taken in the fact that there are a lot of places to go for assistance. Aside from the obvious areas such as friends, family, college professors, and acquaintances; the government is now doing a lot to help today's small business owner. Organizations like the Small Business Administration (SBA) and the Small Business Development Center (SBDC) exist as a resource for small business owners.

The SBA and SBDC offer innumerable services to future entrepreneurs such as literature, seminars, and financial assistance (Appendix D). The President and Congress have even realized the economic importance of these entities and have passed legislation to help the entrepreneur. For example, President Clinton signed the Small Business Lending Act of 1995, which will allow the SBA to increase total loan volume at a lower cost to the taxpayers, "by finding common ground with Congress, President Clinton ensured that the SBA will continue to be able to do more for small businesses with less." In December of 1995, the White House hosted The Conference on Small Businesses. Through this forum, the President and Congress were able to hear the wants
and needs, in the form of sixty recommendations, of small business owners from all over the country (Appendix E). Entrepreneurs power the American economy and the government knows this. As a result, there are many resources to choose from when seeking help with a new business.

Ann Maust and Pat Haynes commend the government on their efforts to work with small businesses. Obviously Ann appreciates the SBA because they helped her get started. Now she tries to return the favor and served as the Virginia delegate to The White House Conference on Small Businesses. In this capacity she worked to procure things she believed the government should provide small businesses. Pat Haynes did not receive financial aid from the government, but attended a number of the SBDC’s seminars. Now, as a successful business owner, she runs many of these seminars to show her gratitude for what they did for her.

DISCUSSION

My results indicate that successful entrepreneurs work extremely hard at growing their businesses. It takes preparation and patience to become a successful entrepreneur. It is a labor of love and one that can cause an unbelievable feeling of personal satisfaction.

There are certain motivating factors which are common to most entrepreneurs such as money and independence. Due to the peculiar nature of people, though, there is no universal answer to what motivates them to start a
new business. Each piece of literature has its own list of motivating factors. I found that a handful were consistent throughout the data, but the sheer number of motivations caused a problem for me. People are complex entities and no two of them act the same. For this reason, I assert that motivations to become an entrepreneur are so varied that to list them is senseless. Some reasons are more commonly given than others, but so many exist that any list should be qualified as such. What does all this mean? People start businesses for any number of reasons. If aspiring entrepreneurs do not see their motivation included in a list somewhere, do not worry; you just have not looked hard enough.

The Trait Theory of leadership, discussed in the History and Theories course, teaches a lot about what it takes to become a leader. It is based on the assumption that some individuals have certain traits or skills that make them more likely to seek and attain positions of leadership. In recent years it has been determined that, although some traits have been found to be more relevant to leader effectiveness, this theory cannot be supported. The section in this paper devoted to determining whether someone has what it takes to become an entrepreneur is filled with characteristics. The Trait Theory teaches us that a certain set of characteristics does not guarantee success. Therefore, when a piece of literature states a certain skill set necessary for entrepreneurial success, the reader should hesitate to believe them. Value still exists in this
section, though, because it states what things an entrepreneur needs to know before getting started.

There are certain things an entrepreneur must be willing or able to do in order to be successful. These valuable pieces of information, such as hard work and long hours, are mentioned earlier in the paper. The interviews I conducted validate the importance of this data. Pat Haynes, founder of Commonwealth Personnel Consultants, Inc., believes that anybody can become an entrepreneur as long as they have guts and are willing to take a risk. She stresses that it is not as easy as it sounds, though. She worked extremely hard for long hours during the first five years of her business. It took an iron will and a refusal to give up in order to keep her business alive. She did not feel like she was her own boss at times, actually everybody was her boss, which was not what she expected. Pat quickly learned that the glamorous world of business owners was not easily achieved. Her story should serve as a warning to those who enter into new business without the right intentions. These are a few things budding entrepreneurs should be aware of and I hope the textual information combined with the real-life story is convincing.

The Leadership in Formal Organizations course is an excellent resource for tomorrow's entrepreneur. This course's purpose is to help students understand and analyze the role and functions of leadership in formal organizations. The class is predominantly student run and designed to provide them with the necessary resources to devise their own business. The entire
semester is devoted to the establishment of this business. Preparation for the imaginary organization starts with a vision, and moves through, environment, mission and goals, leadership design and organizational structure, organizational culture and work-family issues, and personal and organizational development. Although the resulting business is always utopian, it is an excellent training ground for future entrepreneurs.

In this course, students are on their own; all they have is a “mentor” (the professor), themselves, and whatever literary resources they can find. This situation can be likened to the real world in that the entrepreneur obviously has friends and people who can help him/her as well as volumes of written resources. The issues students tackle in this course are similar to what the future small business owner can expect to face. For example, Jepson students encounter issues such as, the factors or issues which will impact the organization in the future, how to develop a mission statement and goals, what the organizational culture is, and how a leader promotes employee personal development. Learning these things in a classroom setting gave me some guidelines for doing this project and could benefit any aspiring entrepreneur.

With the Twenty First Century will come less job security. The average individual's working days total roughly forty years. Very few people plan to join the working world, spend the better part of their productive years making money for somebody else, and then join the unemployed because of corporate "downsizing." For this reason, the numbers of entrepreneurs will increase as the
years go by. These individuals will have some sort of impact on all of our lives in the future. Where they will be and how they will get there is something we all should understand.

In deciding to start a new business venture, one has a number of issues to consider. The market in which they desire to operate has to be established, for example. This is an important decision because oftentimes it can determine if the business will succeed. Growing markets are always an ideal area to place a business. Today's growing markets are in the computer industry, service sector, ethnic products, health care, and biotechnology (Price, 4). Although these markets are growing today, the future entrepreneur needs to look at the growing markets of tomorrow. This requires the ability to foresee events and take advantage of them before anyone else has the opportunity. Entrepreneurs must be capable of thinking quickly on their feet and finding opportunity in places nobody thought possible.

In an interview with Rita Ricks, I asked about some of the important qualities an entrepreneur should possess. She replied with passion, focus, energy, and a desire to succeed; but more importantly Rita said that an entrepreneur must be able to think critically. Ann Maust echoed this sentiment when she stated that it is absolutely essential for entrepreneurs to be able to think both cognitively and critically. Fortunately for this university, the Jepson School offers a course on just this subject.
The Critical Thinking course teaches an essential entrepreneurial skill. It is designed to facilitate thinking about thinking. One of the course's purposes is to develop critical listening, reading, and writing skills. This is done through the study of common argumentative fallacies, symbols and meaning, explanation and understanding, and creativity. These topics combined with an active classroom setting provide an ideal context for this skill to be honed.

Critical thinking is the skill which keeps the entrepreneur at the forefront of American industry. The importance of this cannot be stressed enough. Critical thinking should direct the actions of all entrepreneurs. It must be applied when choosing to begin a company, what its purpose will be, analyzing oneself, weighing risks versus rewards, seeking opportunities, performing a market analysis, and planning the organization. Most importantly, though, an entrepreneur has to think critically during all daily activities. This is a belief echoed by the literature and every entrepreneur interviewed. Those with this skill will separate themselves from the rest of the aspiring entrepreneurs with their ability to see things that others cannot.

Entrepreneurial success is not happened upon, it is the result of extensive planning. This involves researching the market in which the business will operate and planning the business itself. It is extremely difficult for any business to succeed if the market research has been ignored. Rita Ricks constantly researches the market in which she works. It changes quickly and she swears that her success is a result of her knowledge of what the competition is doing.
and what the public wants. This step determines a business' chance for success and identifies what has to be done with regard to competition. This action can become laborious, but it will result in superior operations in the long run.

The business plan plays a large role in the formal preparation of the business. One thing I learned while speaking with Jim Popp is that its only real purpose is to gain financial backing. For example, most loan agencies require a plan to divulge any loans to entrepreneurs. Other than this purpose, he feels that the business plan is not the most important aspect of organizational planning. He has formal goals, a vision, mission statement, as well as long term plan for University Instructors. This is an idea which the other entrepreneurs agreed would work in place of the arduous business plan. A formal business plan is not the most important part in the planning process. What is important is that one plans for the future--has a vision in mind and a strong idea (with specifics) as to how to get there. This is an important realization because the business plan is rather difficult to create. Available literature is extremely vague as to how it should be structured, although earlier I delineated a simple style to follow. This information hopefully can make the aspiring entrepreneur's strenuous task a little easier.

Starting a new business requires expertise in quite a few areas. Some of these fields include law, accounting, sales, and advertising. Not many people have the necessary expertise in all of these fields when starting their business. As a result, many hire individuals who are well trained in such fields and pay
their expensive rates. It seems to me that hiring this help is the silliest thing an entrepreneur can do. Earlier I mentioned that an entrepreneur should try to keep his/her expenses at a minimum. One way to do this is to ask friends for this help.

People are willing to help; they love to be asked about their skills. This fact allows entrepreneurs to avoid the cost of specialists and provides them with an alternative source of information. All of these services can be attained through friends and acquaintances free of charge. Jim Popp actually brought this to my attention. In the early days of his business, he needed to keep his expenses low and found that his friends could provide the legal and accounting assistance he required. In asking for this assistance, a friend directed his attention to the library and the SBDC. He found that a little research could result in detailed information on: taxes, demographics, accounting, and the specific laws pertaining to new businesses in Virginia. People can provide vast resources and also direct you toward sources of information they cannot provide. Knowledge of this should eliminate unnecessary expenses and help the business progress.

The road to entrepreneurship is a long and deeply involved journey. It is not for everybody, but I think anybody with the drive and desire can do it. No two business owners’ stories, sacrifices, and successes are the same. For that reason, it is difficult for an author to write about the subject. I have learned that certain demands are placed on entrepreneurs: time, risks, and responsibility;
and that entrepreneurship requires a few specific skills: critical thinking, adaptability, and a forward-looking mind. Entrepreneurs are a diverse group of special people from all walks of life. These people are not chosen; they choose to assume the responsibility included in a new business and have the zeal to succeed.

I believe that entrepreneurial success is contingent upon the individual. Today’s entrepreneur is not a super-human being, he/she is a person who is willing and able to create a business. It requires creativity, a willingness to work, a good idea, and a little luck to be successful. These are what I believe are the keys to entrepreneurial success, but they are worthless if the entrepreneur does not love what he/she is doing. A passion for the business drives the entrepreneur through the hard times that break others. Everyone I interviewed echoed this sentiment. This craving for the business and its future will direct the entrepreneur and result in a willingness to do whatever it takes in order to prosper.

I believe that almost anyone can succeed in a new business endeavor. Peter Drucker wrote something that explains why almost anyone can become a successful entrepreneur. His quote also explains a few of my beliefs about entrepreneurs:

“Entrepreneurship is not a personality trait; in thirty years I have seen people of the most diverse personalities and temperaments perform well in entrepreneurial challenges. To be sure, people who need certainty are unlikely to make good entrepreneurs...Everyone who can face up to decision making can learn to be an entrepreneur and to behave entrepreneurially. Entrepreneurship, then, is behavior rather than a personality trait” (Riehm, 15).
Trends in today's society and business world are setting a stage for entrepreneurs to emerge in large numbers. All predictions agree with this assertion. Times are changing and the entrepreneur is evolving. A Chinese Wish states, "May you live in interesting times" (Birch 25). This wish is embodied by the nineties global business world. The United States is changing rapidly. Early in this century, we abandoned our entrepreneurial spirit and lost our global economic dominance. Now, the entrepreneur and his/her creative and innovative products and services is pushing us toward where we used to be. These are exciting times for this country and the entrepreneur is providing much of the excitement.

Entrepreneurs are complex individuals. The bottom line with these species, though, is that they start companies. How they do it is entirely up to them. Many act in similar fashion and learned as they went. This is where information about entrepreneurship started. This project's purpose was to take a variety of informational sources, synthesize the data, and provide the future entrepreneur with knowledge about the subject. By no means is this a "how to" book. It is merely a guide for those thinking about starting a new business. It also provides information regarding entrepreneurship and what the responsibility entails that the reader may not know.

Entrepreneurial leadership is the purest form of the phenomena we call leadership. These individuals move an idea into reality. What constitutes the movement leadership. The Jepson School may implement a course on this
subject in the future. If that date does not come quickly Jepson students need not be overly concerned. The courses currently available, specifically History and Theories, Critical Thinking, and Formal Organizations; offer an education which the future entrepreneur can excel with. I have cited earlier that these courses combine to provide a comprehensive study of what it takes to succeed as an entrepreneur. Many Jepson students aspire to start their own business. The curriculum and this project can help them in their plight. I only hope they use what is available to them...Good luck.
TABLE 1-1 Development of Entrepreneurship Theory and the Term Entrepreneur

Stems from French: means between-taker or go-between.

Middle Ages: actor (warlike action) and person in charge of large-scale production projects.

17th century: person bearing risks of profit (loss) in a fixed price contract with government.

1725: Richard Cantillon—person bearing risks is different from one supplying capital.

1797: Beaudeau—person bearing risks, planning, supervising, organizing, and owning.

1803: Jean Baptiste Say—separated profits of entrepreneur from profits of capital.

1876: Francis Walker—distinguished between those who supplied funds and received interest and those who received profit from managerial capabilities.

1934: Joseph Schumpeter—entrepreneur is an innovator and develops untried technology.

1961: David McClelland—entrepreneur is an energetic, moderate risk taker.

1964: Peter Drucker—entrepreneur maximizes opportunities.

1975: Albert Shapero—entrepreneur takes initiative, organizes some social-economic mechanisms, and accepts risk of failure.

1980: Karl Vesper—entrepreneur seen differently by economists, psychologists, businesspersons, and politicians.

1983: Gifford Pinchot—intrapreneur is an entrepreneur within an already established organization.

1985: Robert Hisrich—entrepreneurship is the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological, and social risks, and receiving the resulting rewards of monetary and personal satisfaction.

**TABLE 2-1 Characteristics of an Entrepreneur**

1. An entrepreneur is most commonly the _____ child in the family.
   a. oldest  
   b. middle  
   c. youngest  
   d. doesn’t matter

2. An entrepreneur is most commonly:
   a. married  
   b. single  
   c. widowed  
   d. divorced

3. An entrepreneur is most typically a:
   a. man  
   b. woman  
   c. either

4. An individual usually begins his or her first significant entrepreneurial business enterprise at which age?
   a. teens  
   b. twenties  
   c. thirties  
   d. forties  
   e. fifties  
   f. sixties

5. Usually an individual’s entrepreneurial tendency first appears evident in his or her:
   a. teens  
   b. twenties  
   c. thirties  
   d. forties  
   e. fifties  
   f. sixties

6. Typically, an entrepreneur has achieved the following educational attainment by the time the first significant business venture begins:
   a. less than high school  
   b. high school diploma  
   c. bachelor’s degree  
   d. master’s degree  
   e. doctor’s degree

7. An entrepreneur’s primary motivation for starting a business is:
   a. to make money  
   b. to be independent  
   c. to be famous  
   d. to create job security  
   e. to be powerful

8. The primary motivation for the entrepreneur’s high ego and need for achievement is based upon a relationship with:
   a. spouse  
   b. mother  
   c. father  
   d. children

9. To be successful in an entrepreneurial venture you need:
   a. money  
   b. luck  
   c. hard work  
   d. good idea  
   e. all of the above

10. Entrepreneurs and venture capitalists:
    a. get along well  
    b. are the best of friends  
    c. are cordial friends  
    d. are in conflict

11. A successful entrepreneur relies on which of the following for critical management advice:
    a. internal management team  
    b. external management professionals  
    c. financial sources  
    d. no one

12. Entrepreneurs are best as:
    a. managers  
    b. venture capitalists  
    c. planners  
    d. doers

**TABLE 2-1 (concluded)**

13. Entrepreneurs are:
    a. high-risk-takers (big gamblers)  
    b. moderate-risk-takers (realistic gamblers)  
    c. small-risk-takers (take few chances)  
    d. doesn’t matter

14. Entrepreneurs:
    a. are the life of a party  
    b. are bores at a cocktail party  
    c. will never go to parties  
    d. just fit into the crowd at a party

15. Entrepreneurs tend to “fall in love” with:
    a. new ideas  
    b. new employees  
    c. new manufacturing ideas  
    d. new financial plans  
    e. all of the above

16. Entrepreneurs typically form:
    a. service businesses  
    b. manufacturing companies  
    c. financial companies  
    d. construction companies  
    e. a variety of ventures

Do you have what it takes to succeed as an entrepreneur? Test yourself by matching the qualities described below:

1. **Drive and Energy Level**: Ability to work actively for long hours with less than normal sleep
2. **Self-confidence**: A belief in self and an ability to achieve goals
3. **Long-Term Involvement**: A commitment to long-term future projects; an immersion in and concentration on attainment of distant goals
4. **Money as a Measure**: Salary, profits, capital gains viewed as a measure of accomplishment, a way of keeping score, rather than a means to procuring luxury or power
5. **Persistent Problem Solving**: Strong determination to get the job done
6. **Goal Setting**: Ability and commitment to select goals and objectives that are challenging but attainable
7. **Moderate Risk Taking**: Preference for taking moderate, calculated risks
8. **Dealing with Failure**: An ability to use failures as learning experiences in order to better understand failure and thereby avoid it in the future
9. **Use of Feedback**: High capacity for seeking and using feedback on personal performance to take corrective action and to improve
10. **Taking Initiative and Seeking Personal Responsibility**: A desire to take the initiative, put self in situations where responsible for success or failure of operation; prefers situations where personal impact on problems can be measured; a self-reliant doer
11. **Use of Resources**: Others’ expertise, assistance are sought, used
12. **Competing against Self-Imposed Standards**: A desire and tendency to establish high standards of performance
13. **Internal Focus of Control**: A belief that one’s accomplishments and failures are due to own control, influence rather than being determined by luck or other external events, circumstances
14. **Tolerance of Ambiguity**: An ability to tolerate, live with moderate to high levels of ambiguity, uncertainty concerning job, career security; self-confidence negates worries about job security and permanence
Demand for tutors booms

Business fits college students into roles as teachers, coaches

BY REBECCA NEALE

IM POPP BEGAN COACHING youth soccer in the early 1990s, while he was a varsity soccer player at the University of Richmond. Coming from a family of seven children, teaching younger children came naturally to him.

Team parents came to him, too, Popp said, asking him to help their children with everything from the finer points of soccer to math. Popp began tutoring and individually coaching kids, while finding other UR students who could pitch in.

After he graduated in 1992 and began working 60-hour weeks for a Richmond computer firm, Popp still found time to tutor. But demand for his services mushroomed by word-of-mouth alone, and Popp, a management and marketing major, recognized a promising market niche when he saw one. With $1,000 in savings, he launched University Instructors from his home.

"I initially did a little market research on my own, just by talking with parents and teachers," Popp said. "With the way the economy is changing, there are more dual-income families, and most families aren't having as many kids as they did a generation before. There aren't as many older siblings to help out and parents aren't there in the afternoon to help with studies. I thought there was a void I could fill."

University Instructors offers tutors for all traditional elementary- and secondary-level subjects, including foreign languages and computer skills, as well as coaches for more than 10 sports. Because the services are conducted in public parks, libraries or in the clients' homes, Popp pays minimal overhead.

Expansion planned

The formula has worked so well he is planning to expand and he's looking for managers who can carry the ball into new locations, possibly by July.

As director and president of a company that contracts with 75 tutors and instructors who serve 180 children in kindergarten through high school, Popp still clocks in 60-hour weeks.

"But the difference is, I don't see a separation in my work and my life," Popp said. "Before, I would go to work, then come home and have my life. This is a part of me."

The business appeals to the part of Popp that was nurtured in an all-male Jesuit school in St. Louis, where he grew up. The school stressed "being men for others," giving back to your community by working with children or the elderly, Popp said. He takes that commitment so seriously he pledges a portion of his monthly profit to two local charitable associations serving inner-city youth.

References checked

Popp does not find his attitude unusual. He says colleges are full of young people who are eager to help others, and proves it with his roster of tutors who are mostly college students or recent graduates. Popp interviews each applicant to ensure that he or she is enthusiastic and committed to helping youth, and has the appropriate background in the subject or sport the person wishes to teach.

"We always follow up with references to make sure they have a track record of being responsible," Popp said.

University Instructors also matches clients with tutors who have similar interests to give their relationship a head start.

"Younger kids take to us," said Popp. "They don't look at us as authority figures who say they have to do their homework. They see us as friends who are older and really cool, who can help them out."

Academics come first

Many of the tutors work with young people on both academics and sports, which gives the tutors an opportunity to reinforce the notion that academics come first. Only when the studying is done do they go out to kick the ball around, he said. It's a message the children hear more clearly from their tutors than they might from their parents or teachers.

Popp said he believes in mentors, whether for children struggling to master a skill or for adults trying to launch a new business. Friends and family with special expertise have helped Popp tremendously, he said.

"That's why, whenever I speak of the business, I always reference 'we.' People love to help," he said. "Like one friend said to me, 'I'll race you to the top, and if you get there first, throw me down a rope.'"

Each month, Talking Business spotlights an area business that is less than 2 years old.
APPENDIX D
STARTING A BUSINESS

The first two steps in starting a business are: (1) deciding that you want to go into business for yourself and assessing your ability to succeed and (2) getting your new business registered and licensed. The following section describes information and education to start a business offered by community colleges, universities, non-profit organizations, and governmental agencies in the Richmond area. If you are looking for information on registering your business, the section which follows provides the necessary contacts.

Education and Information to Start a Business

Capital Area Small Business Development Center, Inc.

The following is a list of organizations that offer classes, workshops, and seminars on starting a business:

The CASBDC is a private nonprofit corporation providing information, guidance, and education to existing and aspiring small business owners. The CASBDC offers three specific programs for individuals considering starting a small business:

ORIENTATION & NETWORKING WORKSHOP

Offered every Thursday, this workshop introduces the prospective business owner to the various resources available to help guide them through the process of starting their business. This is also an opportunity to meet and learn from others in this very important stage of establishing a business.

THE "HOW TO START A SMALL BUSINESS" WORKSHOP

Offered every fourth Thursday, The "How To Start A Small Business" Workshop is designed for individuals considering starting a small business. The workshop explores your personal inventory, assists you in assessing the financial needs (both personal and business) to ensure success of your business idea, and helps you determine the market potential of your product or service.

MICRO BUSINESS DEVELOPMENT PROGRAM

This in-depth training program will guide participants
through the development of a business plan for their new venture. The training, which lasts approximately eight weeks, offers a step by step approach to evaluate if the business concept is sound. At the completion of the program the prospective entrepreneurs will have the opportunity to apply for a Micro Business loan through a local loan program.

The IRS has a unique partnership with community-based organizations and educational institutions to provide the Small Business Tax Education Program (STEP). Seminars, workshops, and in-depth courses provide business tax information to the small business owner. Course materials, publications, forms, and other assistance are provided by the IRS.

J. Sargeant Reynolds Community College

JSRCC Corporate and Professional Development section offers a variety of short-term (one or two day sessions) business-related training programs. Programs include microcomputer applications, management and organization, quality improvement, finance, and other contemporary topics. These programs can be customized and offered in response to the requests of businesses.

John Tyler Community College

The Business, Industry, and Government Services (BIGS) Center provides small business entrepreneurial training for open enrollment or tailored contract training. Areas include, but are not limited to, starting a business, accounting and bookkeeping, IRS Step I, advertising, cash flow management, etc. The Center works with regional and State agencies and assists new and expanding businesses.

Minority Business Development Center

The Minority Business Development Center Program is a federally-sponsored effort offering business services to the minority community nationwide. The U.S. Department of Commerce, through its Minority Business Development Agency (MBDA), supports over one hundred MBDCs throughout the country. The MBDC offers the following information services to minority businesses: Dodge Reports, Commerce Business Daily, Contract Announcements, and Virginia Business Opportunities.

Richmond Public Schools

The Marketing Education Department provides short term courses and seminars for the small business owner at a reasonable price. Twice a year a flyer is developed of courses to be offered as well as courses that can be designed for an individual business. Courses include Record Keeping, Time
Management, Tax Clinic, Business Start-up Basics, and more.

SCORE Chapter # 12, which is sponsored by the U. S. Small Business Administration, offers the SCORE Workshop the second Friday of each month. The workshop is a full day event covering all aspects of starting and operating a small business including insurance, legal, financial, and marketing areas. The organization's goal is to assist prospective and existing small business owners with informational seminars and free counseling.

The Management Institute is a non-credit arm of the University of Richmond Business School, providing executive and professional management education. It offers a broad spectrum of management and organization development services, including a unique mix of open-enrollment, custom-designed in-house programs, retreat facilitation, and personal consultation.

The Women's Resource Center is a nonprofit organization enabling women to deal more effectively with life's challenges through learning opportunities and leadership development. Programs include individual career and job search counseling, as well as group courses in professional development, leadership skills, life management and personal growth. The Center also provides on-site training for corporations and private industry.

The following government organizations assist individuals interested in starting businesses. Services provided include consulting, business resources libraries, and referrals to additional organizations and private sector professionals. The Virginia Employment Commission's "Guide to Registering a Business in Virginia" provides the necessary forms to register for state and federal purposes. Local registration is accomplished through either the local Department of Economic Development or Commissioner of Revenue.

VIRGINIA EMPLOYMENT COMMISSION

Publications available at the Virginia Employment Commission -
- Virginia Business Resource Directory
- Business Registration Guide
- Virginia Unemployment Compensation Act
- Regulations and Rules Affecting Unemployment Compensation
- Employer's Handbook-Rights and Responsibilities
- Claimant's Handbook for Unemployment Insurance Benefits
STATE CORPORATION COMMISSION

If you intend to incorporate or want to register or reserve a business name, the State Corporation Commission provides these services. In addition, if you are interested in franchising the SCC has a franchise division which regulates franchisers in the state. This group also can provide information as to any complaints registered against any franchiser.

Local Information & Registration

Contact your local government for regulations, zoning, and other requirements specific to your locality.

<table>
<thead>
<tr>
<th>Business License</th>
<th>Planning &amp; Zoning</th>
<th>Economic Development</th>
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<td>748-1050</td>
</tr>
<tr>
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<td>537-6127</td>
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<tr>
<td>Henrico</td>
<td>672-4258</td>
<td>672-4602</td>
</tr>
<tr>
<td>Richmond</td>
<td>780-5690</td>
<td>780-6340</td>
</tr>
</tbody>
</table>

Determine Business Type

Contact Local Government for License & Zoning (See Above Chart)

Contact State Government for License, Registration & Taxes (See Virginia Business Registration Guide)

Contact Federal Government for Employer Registration Number (See Virginia Business Registration Guide)

Determine Business Entity Type

General Partnership, C or S Corporation, Proprietorship, or Limited Liability Company

Determine VA Unemployment Tax Liability

Register with VA Department of Taxation

Apply for a Federal ID Number

Apply for S Corporation Status if Applicable

Contact a BRN Service Provider for Assistance at Any Step of the Process
Sources of Assistance for Growing Your Business

There are many organizations in the Richmond area designed to help business owners through networking, lobbying, and consulting. Some of these are based around type, size, or field of business.

Networking Organizations

Networking is an extremely beneficial activity for most small business owners. By getting involved with networking organizations, you will likely meet new sales prospects, business and other service professionals, and you will learn how to manage your business through the educational topics presented through the organization's meetings, seminars, and newsletters. Some local networking organizations are included below.

Central Virginia High Technology Network

This network is dedicated to bringing together members of the local high technology community. Members consist of business owners, inventors, engineers from small to Fortune 500 size companies, and service professionals. Bimonthly meetings feature topics relevant to high technology trends.

BIZ LINC is a business-to-business conference and trade show held annually in September. BIZ LINC features nationally known and local speakers and is attended by over 600 business people and over 75 exhibitors.

Business Councils offer a local network for Chamber members and others in each of the four metro jurisdictions (Chesterfield, Hanover, Henrico, and the City of Richmond). The business councils offer monthly programs as well as special events such as the All-Council Breakfast and local legislative receptions.

Business Growth Network offers new and small business owners an opportunity to grow and develop with the support of the Chamber. Meetings feature networking opportunities and presentations on small business issues.
Export-Import Club allows for the interchange of ideas, knowledge and experience; to liaison with other international commerce clubs, trade organizations and Chambers of Commerce on common issues; to be a central headquarters for problems and questions on international trade which members may submit for a confidential response; to provide social and friendship opportunities through regular monthly meetings featuring outstanding speakers on issues of foreign trade.

Quality Council offers an opportunity to liaison with other quality councils, organizations, and educational institutions on common issues, serves as a central resource for questions on quality improvement processes, and creates social opportunities through regular monthly program meetings featuring speakers on issues relating to quality.

Executive Dialogue provides a forum for small business owners and executives of non-competing companies. They get together monthly to discuss business concerns and enhance their business for growth, profitability and job creation potential. CEOs, owners, or key executives of companies employing from 3 to 100 employees may participate in groups consisting of 12 to 14 members. Each member takes a turn hosting a meeting to discuss issues particular to their type of business.

Chamber membership offers more advantages! The Greater Richmond Chamber of Commerce offers numerous benefits to Richmond area businesses, both large and small. For information on joining, call 648-1234.

The National Federation of Independent Business is the nation’s oldest and largest advocacy organization representing small and independent businesses. Through direct member voting, the collective clout of 600,000 business owner members sets its agenda, then lobbies congress and state legislatures. Publications include regular state and federal legislative reports, congressional and state voting records and independent business magazine.

The Metropolitan Business League is a business membership organization dedicated to minority business enterprise. Through the League’s many programs and services, business opportunities are identified for its memberships.

This organization is dedicated to discussing issues related specifically to women business owners. Meetings feature guest speakers and successful female entrepreneurs.
This organization brings together business owners, business professionals, investors, and entrepreneurs to discuss issues of concern to those involved in the venture process. Past speakers have included Governors Baliles, Wilder, and Allen, Circuit City Stores CEO Rick Sharpe, and other prominent business personalities. The Five Minute Forum is a featured part of each meeting. Entrepreneurs are given five minutes to present their business plans to the audience of potential investors and referral sources.

This organization brings together scientists, business professionals, and business owners in the biotechnology arena. Topics include the regulatory environment in biotechnology, the Richmond Biotech Research Park, and other current biotech issues.

There are many government, education, and private sector organizations which offer consulting services for free or for a small fee. Some of these organizations include:

The Capital Area Small Business Development Center, Inc. is a private non-profit corporation providing information, guidance, and education to small businesses in the metro Richmond and Tri-Cities area. The CASBDC's charter is to assist in creating and maintaining jobs in our region, and to increase capital investment in the small businesses which make this happen. All CASBDC services are made possible through funding by private and public sponsors and talented professionals committed to the success of small business.

The Chesterfield County Department of Economic Development is responsible for the recruitment and location of new and expanding industry to Chesterfield County. Recognizing the importance and number of smaller businesses, the department has initiated services directed at this segment. The department's small business liaison conducts seminars, acts as ombudsman for county related matters and has established a number of resources that are readily available to assist start-up and established small businesses.

Marketing Education provides short-term courses and seminars for the small business owner at a reasonable price. Twice a year a flyer is developed of courses to be offered as well as courses that can be designed for an individual business. Courses on the schedule for this year are: Record Keeping,
Time Management, Tax Clinic, Business Start-Up Basics, and more.

The Minority Business Development Center Program is a federally-sponsored effort offering business services to the minority community nationwide. The U.S. Department of Commerce, through its Minority Business Development Agency (MBDA), supports over 100 MBDCs throughout the country. The MBDC offers the following services to minority businesses: Bonding Assistance, City-State-Federal Minority Registration, Business Plan Preparation, Management and Technical Assistance, Marketing and Procurement Assistance, Loan Financial Package Creation.

Richmond Chapter #12 of SCORE (The Service Corps of Retired Executives Association) is sponsored by the SBA. The organization's goal is to assist prospective and existing small business owners with informational seminars and free counseling. Experienced counselors provide clients with guidance on getting started and solutions to ongoing operational problems.

The Management Institute is a noncredit arm of the University of Richmond Business School, providing executive and professional management education. It offers a broad spectrum of management and organization development services, including a unique mix of open-enrollment, custom-designed in-house programs, retreat facilitation, and personal consultation.

The Women's Resource Center of the University of Richmond is a non-profit organization enabling women to deal more effectively with life's challenges through learning opportunities and leadership development. Programs include individual career and job search counseling, as well as group courses in professional development, leadership skills, life management, and personal growth. The Center also provides on-site training for corporations and private industry.
**VSBDc - Micro-Business Development Program**

**What Is It?**

The VSBDC - Virginia's Business Development Network - is a state-wide network of Small Business Development Centers (SBDCs) that offers free, one-on-one counseling to businesses and individuals on management issues. The VSBDC's Micro-Business Development Program is geared towards providing the tools and guidance that companies require to survive. This program is like the network itself, a model of public-private partnership work.

**Who Is It For?**

The VSBDC was created to provide free, in-depth, one-on-one counseling to businesses and individuals on a variety of management issues. The VSBDC's new Micro-Business Development Program has been piloted to focus on assisting individuals who are thinking about starting their own small business.

The program is open to all individuals who desire training in small business management. However, a special emphasis is placed on assisting women, minorities, and lower income individuals to acquire the skills needed to successfully operate a business. This training is oriented toward starting entrepreneurs and micro-enterprises, having less than five employees.

**What Does The Micro-Business Development Program Offer?**

Often an aspiring entrepreneur lacks the formal skills, training, and experience that enhances their chance of success. The VSBDC's new Micro-Business Development Program has been designed to educate the entrepreneur and provide expert assistance throughout the vital first year of business. The VSBDC will provide the following elements designed to guide the entrepreneur to success:

- **Participant Pre-Qualification**
  Individuals interested in participating in the training course must first pre-qualify. Pre-qualification is accomplished through either being interviewed by a program representative or attending a workshop designed to determine the feasibility of their idea and their readiness to begin a business.

- **Entrepreneurship Training**
  This unique training program will lead the aspiring entrepreneur through seven in-depth training modules covering all aspects of operating a business. These include: marketing, record-keeping, accounting, taxes, and business management.

  Instruction on and exercises in strategic and business planning are also included. Students will complete a formal written business plan for their ventures as the course's final exercise.

- **Preparation for Financing**
  Instruction on how to apply for financing and developing a loan proposal will be provided. The VSBDC does not provide financing, but will work closely with micro-loan funding programs throughout the state of Virginia to assist graduates in securing needed start-up capital.

- **One-to-one Counseling**
  Participants in the Micro-Business Development Program will be able to access the free, in-depth, one-to-one counseling services available through their local Small Business Development Center, as they begin their business venture.

- **Mentoring**
  Upon successful completion of the training program and acquisition of financing, the VSBDC will offer a mentoring program, pairing the new micro-business owner with an experienced business owner for individual mentoring and guidance through the first year of operation.

One of the greatest strengths of the local SBDCs is their ability to tailor programs to fit their region's needs and resources. Therefore, the Micro-Business Development Program may vary slightly from location to location.
**What Is It?**

Virginia's Business Development Network consists of twenty-one centers, representing the most extensive business development program in the state. It is an innovative federal, state, and local partnership working together to strengthen Virginia's economy. High quality, in-depth counseling is provided by the VSBDC to help grow Virginia's businesses.

The purpose of this coordinated network of business assistance centers is to make business management counseling, information resources, technical assistance, and training more readily available to those small businesses that frequently do not know where to go or how to access such help.

**Who Is It For?**

The VSBDC was created to help you with your business problems. The VSBDC is for the experienced business person who wants to...

- expand his or her business
- solve business problems
- develop new ideas for products/services
- investigate new business opportunities
- expand into international markets

The VSBDC also provides assistance to the inexperienced person interested in business who needs to understand...

- requirements for going into business
- financial management
- marketing
- business opportunities in Virginia

**What help is available?**

- Business planning
- Marketing
- Preliminary export assistance
- Women's Business Enterprise Certification
- Economic and business data
- Business resource library
- Assistance researching and approaching business financing sources
- Site location analysis
- Licensing and regulation information
- Cash flow and tax counseling
- Specialized training workshops on:
  - how to use computers in your business
  - bookkeeping and accounting methods
  - sources of export assistance
  - opportunities for procurement contracts
  - personnel management and much more

**How do I get help?**

Contact your nearest VSBDC local assistance center to discuss your needs and to obtain details on specific services available to you. (See back for locations and phone numbers.)

**No charge for counseling services**

The information, management counseling and technical assistance services of the VSBDC professional staff are provided at no charge. Fees may be collected, however, to recover specified client-approved charges for such items as printing, computer time and postage. A nominal fee may be charged for training workshops.

**Services are confidential**

The full disclosure of financial and/or other proprietary information to the VSBDC by the client is usually essential in order to provide effective assistance. All clients are assured that such information is held in strict and complete confidence at all times.

**VSBDC counselors**

The professional staff members of each local service center are highly skilled individuals, each of whom has significant experience in the private sector. Many also have extensive management and financial consulting backgrounds. In addition to its permanent staff, the VSBDC also utilizes business owners, corporate executives, business school faculty, business school students, and other volunteers, as well as paid professional consultants.
Would you like to talk with someone who has had the same kinds of business problems you have— and who solved them successfully?

Would you like to talk to someone about starting a new business?

Would you like to get this valuable advice at absolutely no charge?

That's what SCORE is all about. Free business counseling by men and women who have had successful business careers as company executives or owners of their own businesses.

They are willing to share their knowledge and experience at absolutely NO CHARGE.

And they are as close as your telephone. SCORE has counselors in all 50 states, Puerto Rico, Guam, the Virgin Islands and the District of Columbia.

**EXPERIENCE YOU CAN'T BUY — BUT IT'S FREE!**

Even if you were willing to pay for management counseling, it would be difficult to find the specialized experience to match your particular problems.

But SCORE can fill your needs. SCORE exists only to provide free information and advice on practically every business.

From ladies ready-to-wear retailing to food services and restaurants,

From construction to electronics and computer technology,

From advertising and marketing to financial control,

From purchasing to...

Name it and there's a SCORE counselor who talks your language.

It is important to organize and manage all the special skills of a business in a way that will make the business operate successfully— And SCORE counselors have that management ability!

**SCORE COUNSELING — ONE PERSON OR A TEAM**

The counselor chosen to serve you has the experience that most closely parallels your needs. But no one is an expert in every type of business. So your SCORE counselor may call on other SCORE members for their special expertise.

Your counselor—or team—meets with you personally and as frequently as necessary. They analyze and define your problems. They help you find solutions. They keep checking with you to see how the solutions are functioning. The period of counseling may take as little as a week. Or a year. Whatever length of time needed.

All information learned about your business is CONFIDENTIAL. It is not revealed to anyone outside of SCORE.

**A TRADITION OF EXCELLENCE**

Nationally, SCORE has helped thousands of small businesses iron out their problems. Many owe their success to the assistance received from SCORE.

Help for you is as near as your telephone. To learn how you can get personal counseling for your business, telephone or stop in at the SCORE office. There is no obligation.

Or, if you wish, you are welcome to attend any of the seminars and workshops SCORE periodically conducts. They cover major considerations for running a business. To find out when and where they are held, call SCORE.
APPENDIX E
The 60 Recommendations of the 1995 White House Conference on Small Business

Prepared by the Office of Advocacy of the U.S. Small Business Administration.

Boldface numbers preceding the text of each recommendation are National Conference Recommendation Agenda reference numbers that were assigned to each proposed recommendation that was considered at the national conference.

Capital Formation

5. In order to increase the availability of capital for small business, Congress shall:
   (a) Authorize the SEC or an appropriate entity to create streamlined regulations and vehicles for public and small and large private company pensions, profit sharing, 401(k) plans, individual IRAs, Keogh, and SEP Plans to invest in small businesses by accessing the private capital markets and encouraging development of viable markets for small-business loans.
   (b) Modify current legislation to facilitate the ability of an individual to invest up to 50 percent of his or her own self-directed and/or managed qualified plans including profit sharing, 401(k) plans, individual IRAs, Keogh, and SEP Plans in a specific small-business(es) of his or her own choice. These funds could be used as a direct investment or as collateral to obtain debt financing. (votes received: 1279)

Capital Formation

9. Banks are too highly regulated and restrictions on lending to small businesses are too severe. To increase the amount of small-business lending (and create thousands of jobs) we propose: (a) small-business loans should be reviewed collectively based on institutions' overall loan delinquency ratios, and (b) relaxing of collateral and income to debt ratio requirements allowing banks to make smaller loans based on character, personal background and creditworthiness, such as those loans permitted pursuant to the loan-basket guidelines under the capital availability program. Also, Congress should enact or amend legislation to direct the Comptroller of the Currency and other examining authorities to allow banks, especially community banks, to invest more readily in small business through no-cost, low-cost incentives, such as:
   (a) Directing bank regulatory agencies to reduce pay-when-commensurate with loan size;
   (b) Reduce the number of federal agencies regulating banking through consolidation and coordination;
   (c) Allow government deposits to be placed in a bank based on the percentage of that bank's portfolio that is placed in small-business loans. (votes received: 1275)

Capital Formation

14. To increase the availability of growth capital to invest in small businesses, Congress should:
   (a) Further privatize the Small Business Investment Company (SBIC) program, now administered by the SBA, by creating a new, government-sponsored, but privately managed, corporation named Venture Capital Marketing Authority or "Vickie Mae" which would function similar to the Federal National Mortgage Association (Fannie Mae);
   (b) Extend the capital gains tax deferment currently afforded investments rolled into Specialized Small Business Investment Companies (SSBICs) to include investments in SBICs to encourage more investment in new SBICs;
   (c) Remove barriers to pension funds, foundations and endowments wishing to invest in SBICs and SSBICs; eliminate the "unrelated business taxable income" (UBTI) tax on all such activities; and
   (d) Reduce the minimum capital size requirements for establishing SSBICs owned by regulated financial institutions, thereby encouraging them to provide equity to small businesses provided that no leverage is utilized by such SSBICs until current minimum capitalization for leverage is achieved. (votes received: 1069)

Capital Formation

20. Congress should support the investment in small businesses by:
   (a) Establishing a tax-free rollover provision for the gains on sale of assets or ownership interests in a small business that are reinvested or rolled over into another small business within one year.
   (b) Congress should amend Code Section 1202, which is legislation excluding 50 percent of all capital gains from income, to extend its benefits to S Corporations and Limited Liability Companies by defining a "qualified small business" to include C Corporations and the other two entities, and extend the definition of a "qualified trade or business" under Section 1202 to all businesses.
   (c) Congress should enact tax legislation to allow a tax deduction against ordinary income for investments in small businesses. (votes received: 672)

Capital Formation

24. The Small Corporate Offering Registration (SCOR) was meant to be a means for self-reliant small business owners to raise equity capital with a minimum of professional assistance (legal and accounting services) and the lowest origination costs. To facilitate the use of SCORs, we proposed that the SEC/Congress raise the $1 million per year ceiling to $5 million, remove limits on the number of investors, allow for "umbrella advertising" of stock offerings and fund educational programs for investors and issuers to be administered at state and local levels. A greater degree of uniformity of state laws or reciprocity between states would be encouraged by the SEC through granting educational grants to states that comply with this goal. (votes received: 1027)

Capital Formation

28. Congress should require that federal agencies evaluate the performance of financial institutions under the Community Reinvestment Act ("CRA") on the basis of such institutions' efforts to meet the credit and banking needs of small businesses in their communities. In making such evaluations, those financial institutions which extend credit to small businesses without the support of government loan guarantees should be rated higher than those institutions which simply participate in SBA, FHA and other guarantee programs, and/or purchase government insured loans and loan pools. Further, Congress should direct each federal agency to issue a separate rating of each financial institution's CRA performance relative to small business (as opposed to the current practice of issuing one rating for overall CRA performance with respect to the entire community). (votes received: 554)

Community Development

31. Congress should enact legislation and the Administration should implement a process so that community and economic development programs could be maximized in distressed urban and rural areas by:
   (a) Creating a "most favored" community status;
   (b) Continuing and enhancing the SBA micro-loan program;
   (c) Vigorously enforcing the Community Reinvestment Act with special efforts placed on elimination of redlining;
   (d) Providing economically oriented incentives such as abatement of federal income taxes to encourage the service/retail industry and other small businesses to locate and expand in these areas;
   (e) Continuing to emphasize small, non-traditional financial institutions, women and minority-owned business participation. (votes received: 949)

Community Development

34. Congress should further legitimize home-based business and remove the home office tax deduction by reversing the effect of the 1993 Soliman decision which requires that:
   (a) Clients physically visit a home office; and,
   (b) Business income be generated within the home office.
   This would again allow essential administrative, operational and/or management tasks to qualify a home office as the "principal place of business." (votes received: 1239)

Community Development

41. The U.S. Department of Education in cooperation with the U.S. Small Business Administration should work constructively to encourage the future growth of small business entrepreneurs by promoting entrepreneurship education across America's school systems (K-Adult Education). It would be accomplished in the following manner:
   (a) Develop and implement a comprehensive school-based youth entrepreneurship program that creates real world business exposure and mentorship;
   (b) The program would be under the auspices of the Department of Education and funded by grants through public/private partnerships.
   (c) All funds would be matched one to one in the community
1. Reverse the infamous ruling and eliminate other special privileges such as union exemption from prohibitions against libelous and violent speech; union officials' legally sanctioned power to force workers to pay union dues to an unwanted union;

2. Require union officials and unions to bear full responsibility for their violence and extortion and criminal acts just like everyone else;

3. Make union pensions and benefit trusts applicable to the same regulations as another commercial or employer provided plans;

4. Make unions subject to all discrimination and civil rights provisions the same as all businesses, and liable for the blackballing of members who exercise their first amendment rights against union leadership;

5. Use the RICO Act against union organizations involved in opposition to the union leadership;

...nicr plans;...n labor.

Congress and the Administration should maintain effective programs (eliminating ineffective programs) of the U.S. Department of Commerce, International Trade Administration that assist American small businesses in marketing and/or expanding export sales emphasizing emerging markets as a part of public/private partnership efforts to increase U.S. exports, U.S. jobs, and U.S. economic vitality. Note: Nopart of this issue shall be interpreted to be in conflict with GATT and/or other existing international trade agreements... (votes received: 1239)

International Trade

129. Congress and the President shall authorize and encourage the Exim Bank and the SBA to sponsor revitalized fund programs designed to foster the financing of international trade (goods and services) including the new Export Working Capital Program to:

(a) Provide pre-export financing, unsecured working capital lines, transaction-based loans and pooled lines, rather than balance sheet and asset-based loans;

(b) Provide educational programs for regional and local banking and financial institutions on the methods to finance export of small businesses;

(c) Educate and inform the small business community on available programs to finance exports;

(d) Coordinate the efforts of various federal agencies that attempt to provide financing for exports;

(e) Provide credits and other incentives for small businesses to develop and expand into foreign markets... (votes received: 1181)

International Trade

130. Congress and the President shall direct the U.S. Trade Representative to lead an international effort to protect the ownership of intellectual property and to ensure adoption of reciprocal uniform standards, centralized filing and an efficient international dispute resolution procedure for registration and enforcement of trademarks and trade names, working with NAFTA, GATT and other treaty partners. We further recommend that Congress protect international patent rights in a way that takes into account the needs of small business, including retaining the patent term to run for twenty years from date of application or seventeen years from date of issue, whichever is longer, that patent application remain unpublished until the patent is granted, and that the patent remain with the first to invest rather than first to file... (votes received: 1080)

Main Street

141. Small business cannot compete with large businesses who use their economic power to extract unfair competitive pricing from manufacturers and service providers. Antitrust laws should be strengthened and enforced to prohibit abuses including unfair vertical integration, tying of pricing and products, and predatory pricing tactics. The President should appoint a presidential commission on competition to study the enforcement and impact of the federal antitrust laws on ensuring the survival and diversity of small businesses... (votes received: 829)

Procurement

144. Support fair competition. Congress should enact legislation that would prohibit government agencies, tax- and anti-trust exempt organizations from engaging in commercial activities in direct competition with small businesses... (votes received: 1885)

Procurement

153. Congress should enact legislation to designate a national certification organization. This organization will be initially funded by Congress to establish a database of certified small business, small disadvantaged business, and small business owned by women. It will serve as a one-stop-drawing house that will assist all federal agencies by disseminating information in conjunction with their outreach efforts. To assure the credibility of federal procurement procedures:

(a) Congress will endorse one set of criteria for all local, city, state, and national agencies, adopted by a task force utilizing purchasing agents and small business owners, for uniform certification of small business, small disadvantaged business, and small business owned by women where contracts involve federal funds.

(b) All federal agencies must establish standardized monitoring and compliance procedures;

(c) Independent, decentralized advisory boards should be established;

(d) States and local communities should be encouraged to recognize this certification on a reciprocal basis.

(e) All federal agencies should sponsor training to increase contracting/procurement officer awareness and use of reciprocal certification and database... (votes received: 968)

Procurement

161. The President and Congress should continue to support the Minority Small Business Capital Ownership and Development Program, SBA 8(a), and should enact legislation to make improvements with particular emphasis on:

(a) Increase length of time;

(b) All federal minority procurement policies and procedures must be incorporated and applied to any recipient of federal funds and become mandated.

(c) Increase utilization of 8(a) contractors by enforcing accountability of federal agencies in achieving their 8(a) goals.

(d) The establishment of procedures for immediate relief in the event of catastrophic circumstances including but not limited to:

(1) total dissolving of government agencies;

(2) natural disasters;

(3) base closures.

(e) Relief to be in the form of extended participation in the 8(a) program for reasonable time to recover from the catastrophic circumstance.

All of the above will follow the intent of the SBA 8(a) program to raise 8(a) businesses to a threshold allowing them to graduate to the open competitive market... (votes received: 806)

Procurement

164. The Davis-Bacon Act of 1931 and the Service Contract Act of 1965 should be completely repealed... (votes received: 1906)

Procurement

167. Prompt Payment Act. The Office of Management and Budget must prohibit federal agencies and/or their grantees for incurring interest debt generated through delayed bill...
Taxation

129. To promote a fair and equitable system of taxation, to encourage greater citizen participation and understanding, and to totally abolish the complexities of the present system, Congress should enact legislation that replaces the present system with a simple tax for individuals and businesses. (votes received: 801)

Taxation

133. Congress should permit deductions of expenses up to $250,000 annually for the purchase of new owned equipment or use in a small business and should remove the cap of $250,000 and have no upper qualifying limit on the Section 179 election. (votes received: 999)

Taxation

142. Congress should modify and expand the 50 percent capital gains exclusion for small business stock passed in the 1992 Revenue Reconciliation Act so that it provides a front-end, as well as a back-end incentive for investment in small businesses. Specific recommendations:

a) Allow investors to sell funds in any investment and roll the investment into a small company, as defined by the current law, within two years. Capital gains tax on assets sold would be deferred (using the same methods as like kind exchanges), and any taxes would be payable at the small business rate if sold in the specified period.

b) Phase in the preferential tax treatment over a five-year holding period. For example, as an investor with a three-year holding period would pay: 28 percent (9.5 percent x 69 percent) = 19.6 percent.

c) Amend Code Section 1202 to extend its benefits to S Corporations, partnerships, and sole proprietorships by defining a "qualified small business" to include all businesses meeting and extending the definition of a qualified trade or business under Section 1202 to all types of businesses. (votes received: 1064)

Taxation

50. Congress should enact legislation that would prevent it from raising taxes retroactively. (votes received: 974)

Taxation

52. Congress should enact legislation that requires a two-thirds supermajority vote be required in both houses of Congress to enact legislation resulting in a tax increase. (votes received: 681)

Taxation

53. Payroll Tax Relief. A cap must be placed on the employer's portion of payroll taxes. Congress should reject all proposals that make payroll taxes to its effect to repair the Medicare program. Payroll taxes are regressive and discriminate against small businesses. (votes received: 571)

Taxation

85. Tax Equity Now! Congress and the President shall enact legislation which shall place large and small businesses on a level playing field for tax purposes... . that is, provide tax equity... in situations where small businesses are currently at a disadvantage. This should be done by uniformly applying the tax law to all forms of business (e.g., proprietorships, partnerships, C Corporations, S Corporations, limited liability companies) with regard to tax rates, deductions, and exclusions as follows:

a) All forms of business entities to take deductions for 100 percent of the medical insurance premiums, dependent care, and other fringe benefits not currently deductible by self-employed individuals, partners, shareholders, and/or members. As long as fringe benefits continue to be excluded from the income of employees of target C Corporations, the dollar benefits should be excluded from the income of employees of all small businesses, regardless of form, as well as from the income of self-employed individuals.

b) Section 1202 benefits currently available to employees of large businesses to be made available to self-employed and employees of small businesses as provided in Recommendation no. 91.

c) Allow Corporations to be taxed using the same graduated tax schedule. Section 1202 of the Internal Revenue Code, taxing the income of qualified personal service corporations at a flat 35 percent tax rate, should be repealed.

The privilege of deducting legitimate business expenses should no longer be based upon the entity chosen to operate such business. The choice of an entity within which one will operate a business should be a legal issue, not a tax issue. (votes received: 1259)

Taxation

390. Congress should enact a comprehensive policy on capital gains that encourages the long-term investment in productive assets. This policy should include the following provisions:

a) Indexing of the cost basis of assets held more than one year.

b) A targeted capital gains exclusion of 50 percent of the indexed gain for an investment in a qualified small business held more than three years. A qualified small business should include the forms of businesses identified in §1202 through §1204.

c) A minimum tax of 10 percent on the sale of a majority interest in a qualified small business held for more than 15 years.

d) A deferral of the gain on the sale of an interest in a qualified small business if the gain is reinvested in another qualified small business within two years.

ej) The non-taxable portions of gains should be exempt from the alternative minimum tax calculations.

f) The capital loss reduction limitation of $3,000 should be eliminated.

The "General Utilities Doctrine" to eliminate the double taxation of proceeds from the sale of a qualified small business. (votes received: 944)

Technology and the Information Revolution

265. Congress and the executive branch should promote the rapid private-sector development of the National Information Infrastructure (NII) and protect all intellectual property transmitted over it. Congress and the U.S. Patent Office should also implement an enforceable and universal intellectual property (patent, trademark, and copyright) application with all members of World Trade Organization, while maintaining "first to invent." This must also include the ability to police existing laws and treaties more judiciously, and to totally abolish the complicated present system, Congress should enact the following:

a) Amend Code Section 1202 to extend its benefits to S Corporations, partnerships, and sole proprietorships by defining a "qualified small business" to include all businesses meeting and extending the definition of a qualified trade or business under Section 1202 to all types of businesses. (votes received: 1064)

Technology and the Information Revolution

406. Congress should enact legislative programs that expand the availability of technology commercialization funding and investment capital for small, rapidly growing innovating companies including as a minimum:

a) Expand, improve, and make permanent the SBIR/STTR programs by:

(1) Extending cost-sharing in proposal evaluation and scoring for the SBIR program.

(2) SBIR criteria to include an appropriate percentage of disabled individuals.

(3) Providing additional incentives and reducing inhibiting regulations for investments in small companies by pension funds, institutional and corporate investors.

(4) Amending tax loss rules for NOL carry forward.

(5) Expanding and making permanent the R&D tax credit.

(6) Develop new public markets and instruments for small firm's securities.

(7) The Congress should support flexible manufacturing through the promotion of partnerships between small businesses and existing resources to create more efficient and flexible manufacturing processes and nurture the growth of U.S. manufacturing industries.

(b) Encourage existing and new companies by:

(1) Retaining and expanding targeted capital gains, including mutual fund and institutional investments in small businesses.

(2) Allowing tax-free rollovers for direct investments by all investors in small businesses.

(3) Providing additional incentives and reducing inhibiting regulations for investments in small companies by pension funds, institutional and corporate investors.

(4) Providing additional incentives and reducing inhibiting regulations for investments in small companies by pension funds, institutional and corporate investors.

(c) Direct the establishment of a temporary multi-agency task force to study and solve the impediments to the above. (votes received: 1292)

Unclassified

286. The U.S. Small Business Administration is vital to the growth of small business in America. Efforts to make the SBIR's programs more cost effective and efficient should be continued and encouraged. The SBIR's independent agency role as the primary supporter of small business within the federal government should be enhanced by:

(a) Elevating the SBA Small Business Administration to a congressionally approved cabinet-level position.

(b) Budget allocations to maintain, increase, and enhance the 7(a) Loan Guaranty Program.

(c) Budget allocations to maintain, increase, and enhance the 504 Loan Guarantee Program.

(d) Budget allocations to make permanent the Small Business Development Center Program which provides business assistance to small businesses and services.
Works Cited


