

THE ENTREPRENEURSHIP CLASS AND THE BUSINESS PROPOSAL: AN APPLICATION OF MARKETING THEORY AND RESEARCH

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OVERVIEW

Entrepreneurship classes that integrate the aspects of primary research in the creation of a business plan improve the potential funding of that project and provide a "realism" that students both want and need. In addition, improving the quality of business proposals is in the best interests of the students, faculty, and local business community. A "viable" plan can create new business and provide additional employment opportunities.

PURPOSE

Although market research is a vital component of any business proposal, too often only secondary research is conducted due to the time constraints within a semester or academic quarter. In addition, as many ideas are "new," such research might not exist or might be proprietary. It is the purpose of this paper to share the many benefits to be derived from utilizing primary marketing research in an entrepreneurship class.

METHODOLOGY

Although the individual methodologies may vary somewhat, there is a common core to all projects that provide the structure for integrating primary market research in a business proposal.

- 1) Students define target markets, examine characteristics of that population, and develop an understanding of the population to be sampled.
- 2) The appropriate technique to sample the population is chosen and the research instrument is created.
- 3) In small groups of four or five with the instructor present, each instrument undergoes a rigorous peer review.
- 4) The newly revised instruments are pretested on a sample of the population. Then the instrument is revised again.

- 5) The final research instrument is then prepared and used to collect the data that will be analyzed.
- 6) Each student provides an in-depth, updated report to the group once a week and discusses obstacles encountered.
- 7) The results of the market research are briefly presented and the project is evaluated at length to discover whether or not it is doable. This is a critical juncture for some students who have now attained a realistic perspective they did not previously have.
- 8) Students must rank all completed projects (which they have critically reviewed) according to the quality of the project and whether it is worthy of being funded. (This introduces the realism of competing for scarce resources in a highly competitive environment.)

DISCUSSION

Perhaps this emphasis on primary research within a business proposal can best be implemented in a two-course sequence. It is very important that this course carry a Marketing Research course prerequisite so that all students have a similar analytical background that will allow them to help one another. Communication is certainly enhanced when all students speak the same language and have been exposed to the same topics, even if their command of an area varies considerably.

CONCLUSION

There are wide ranging benefits to be derived from applying market research techniques to the development of business proposals in Entrepreneurship. These benefits accrue to the students, the instructor, and the university/community at large.

Student Benefits

Perhaps the most important observed benefit was a significant change in the students' attitude and self-perceptions. Individuals stated that they had gained confidence in their abilities to initiate and carry out a major project. In addition, although they believe they had worked harder than other marketing majors and could have taken a much easier elective, they "know that others who have not 'paid the price' are behind them...and feel ahead of the competition" as they face graduation. Knowing that they are better prepared to take on a challenging and comprehensive project from start to finish was a much desired and valued benefit. The fact that one class member was able to obtain bank financing for his business made others realize how far they progressed and enhanced the sense of accomplishment of that group considerably.

Instructor Benefits

The addition of a primary market research plan to the screening guide coupled with rigorous weekly peer review greatly improved the quality of the business proposal. Furthermore, weekly progress reports aided the students in progressing toward their goals in increments, and allowed for faculty input at critical junctures. Peers who were making good weekly progress provided a benchmark for others to measure themselves by and provide incentive to excel. Individual students within the informal groups became "business advisers" to one another and the instructor was able to observe significant growth in their decision making abilities.

University/Community Benefits

The utilization of primary market research in a business proposal provides an opportunity for the student to see a microcosm of the delicate interrelationships between the gathering and analysis of information to the implementation and decision making process. Understanding that process is crucial for the preparation of our students whether they launch their own businesses or choose to work for an established firm.

In addition, the needs of both the traditional student or the reentry student may be addressed simultaneously and their learning enhanced in this type of environment as the background of each provides a catalyst in the education process.

Finally, as state legislatures increasingly ask university administrators and faculty to be accountable for state appropriations, the relationship between "town and gown" will be scrutinized more closely than ever. The existence of this type of class within the business curriculum can provide visible assurance to state legislatures of the university's commitment to the state's economic health and long term well being.

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