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LEAN SCIENTIFIC METHOD CANVAS: A NEW MODEL TO DESIGN RESEARCH DOCUMENTS FROM AN ENTREPRENEURIAL MINDSET

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ABSTRACT

This article presents a new model (the Lean Scientific Method Canvas) to think, design, write and publish a research document. Using the Lean Canvas model, we try to "translate" the scientific method into an easier way to work in scientific papers. This proposal has been made for academic purposes in order to use it as guide for dissertations; it also can be used for tutors to guide research projects and for "selling" finished products. The main objective of this work is present a useful framework for researchers and students as an academic tool to identify problems and solutions that can contribute to the elaboration of better research proposals.

KEYWORDS: Scientific Method; Business Model; Lean Canvas Model; Business Model Canvas

PURPOSE

The aim of this paper is to identify the differences and also the similarities between the lean canvas method and the scientific method, and how these two theories can work together in a useful tool that can be used as a basis for writing research papers or dissertation proposals.

DESIGN/METHODOLOGY/APPROACH

We designed a proposal about how to use the Lean Scientific Method Canvas or LSMC methodology as we were trying to do an experiment that means using the scientific method steps and phases in order to do a research. We applied the LSMC with two Master's Degree dissertations and reported the results.

RESEARCH LIMITATIONS/IMPLICATIONS

The LSMC is still in embryonic phase therefore we need more experiments to validate the model. However, we want to be congruent with the model and communicate the advances *even if the model is not complete tested, instead of waiting for further validation. We expect some feedback from our colleagues.*

INTRODUCTION

Nowadays the concept "Business Model" is not only part of academic language but is also used by many practitioners and general public. Alexander Osterwalder and Ives Pigneur (2010) defined business model as the way how an organization creates, delivers, and captures value. The most interesting thing that their model offers is the possibility of fitting a firm's business model in nine boxes or blocks: key partners, key activities, key resources, value proposition, customer relationship, channels, customer segments, cost structure and revenue streams. The model is a powerful tool that creates a shared language during the definition of a business. Although this a powerful tool, the Business Model Canvas is a tool for brainstorming hypotheses with an informal way of testing (Blank, 2010) which can be considered as a disadvantage.

During our interactions with undergraduate and graduate entrepreneurship students we found that the business model canvas could be used for something more than a static planning tool. We discovered that the business model and more specific, the lean business model could be very helpful to develop ideas for scientific research and for dissertation proposals using an entrepreneurial mindset, it means that the students should plan and validate their ideas keeping in mind the users/customers. This perspective forces them to think how their projects create value for the possible users.

As we mentioned above, we based our model in the "lean startup", a methodology developed by Eric Ries. He started to question: which activities create value and which ones are considered waste in startups? "Usually, new projects are measured and held accountable to milestones and deadlines. When a project is on track, on time, and on budget, our intuition is that it is being well managed. This intuition is dead wrong" (Ries, 2010). In the same way, when a student or an academic presents an idea for a research they think that, if they apply the scientific method template they will be safe but the truth is that they usually do not think about the final user of their ideas, for example: whose needs they are solving. Of course, this new model does not apply in pure research, it was designed for applied sciences (but even in this case the scientists should think in some kind of benefits for some stakeholders).

As Ries (2010) argues most startups fail, and in our case most students and researchers fail because they work on something that nobody is interested in. "Enamored with a new technology or a radical new product, many entrepreneurs never find a set of customers who will buy it. Each new feature added to such a product is actually wasted effort, even if it's done on-time and on-budget. In product that nobody wants, all the features get thrown away" (Ibid.).

Why we mixed the Scientific Method with the Lean Startup Model? Let us start with a broad definition of the scientific method: it is a kind of a learning recipe about the world in a systematic, replicable way: starting with general question based on your experience; design a hypothesis that would resolve the puzzle and generates a prediction; collect data to test that prediction and evaluate the hypothesis (Duncan,2014). But sometimes people too involved in this method forget the main purpose of their effort and lose focus for theirs final outcomes. We believe that a wide range of students and scholars can benefit from an entrepreneurial mindset when they design their researches; to offer a model for them is the main objective of this paper.

First of all, it is very important to understand the concepts of the scientific method; that is the reason we start this article making a review of the most important authors who collaborated to develop this method, from Copernicus to Fleming. After our journey to the past, we present the Lean Canvas method and its differences with the Business Model Canvas in order to know their origins, function and purpose. In this way, it will be easier to comprehend and apply the tool that we are proposing: the Lean Scientific Method Canvas, which we explain in the last section of our work.

STRATEGIC PLANNING: A PRACTICAL PRIMER FOR NOT-FOR-PROFIT ORGANIZATIONS

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ABSTRACT

Strategic planning's acceptance is generally accepted at For Profit (FP) organizations while the Not for Profit (NFP) organizations are overlooked. However, the two types of organizations are not that different when it comes to the strategic planning process; oftentimes it's simply a matter of semantics or different labels. For instance, FP organizations have customers, NFP organizations have donors.

Regardless of an organization's type, FP or NFP, each can benefit from the strategic planning process. This article illustrates the strategic process at a NFP organization. It walks leadership through the strategic management planning process using a fictional chamber of commerce.

The various tasks in the strategic process (mission, vision, internal analysis, external analysis) are illustrated with examples from a typical chamber of commerce. The examples show how the strategic management tasks are interrelated and ultimately lead to a philosophical approach to managing a NFP organization.

INTRODUCTION

Entrepreneurs are primarily concerned with recognizing opportunities and seizing the initiative (Baron & Ensley, 2006). However, once seized, the organization needs to be able to survive in a competitive environment. For this follow-on survival, one needs strategic management skills in addition to the entrepreneurial skills already held (Ireland, 2007). In this article we intend to provide NFP management a practical primer to strategic management in a very easy to understand format by following the process using a fictional chamber of commerce in an urban environment.

THE CHAMBER OF COMMERCE

Since the beginning of commerce, traders cooperated to regulate the conduct of trade, provide common protection against enemies and promote their businesses (Morro Bay, n.d.). As guilds grew, these groups formed an important part of medieval city and town life (Guilds in the Middle Age, n.d.). Over time, these groups evolved into modern day trade associations and chambers of commerce. Today, there are 2,800 state and local chamber chapters in the United States (U.S. Chamber of Commerce, n.d.).

A chamber of commerce is defined as an organization of businesses seeking to further their collective interests while advancing their community, region, state or the nation (Association of ...). Chamber missions may vary, but they all concentrate to some degree on the following goals: building communities, promoting these communities, representing the united voice of business to the community and government, and reducing friction through local networks (Association of ...).

Chambers are supported by member dues. U.S. chambers today fare fast-moving trends. These include technology, government regulation, and economic development.

PURPOSE

Differences between FP and NFP organizations aren't really that different. First is the obvious focus on profits. That's just an accounting determination. FP pay taxes and NFP don't.

Second is identification of customers. This determination rests upon what the organizations are "selling". The FP organizations normally have a readily identifiable good or service. The NFP's service may not be as readily identifiable. However, both need to be clear what they are offering and to whom the service is being offered (i.e., the target market).

Third is the identification of competitors. Their determination is symbiotic with the identification of customers. What are you trying to get from your customers in exchange for what you're offering? And, who else is trying to get the same thing? For example, a lawyer seeks clients who need legal service; he's competing with other lawyers offering the same service in that market. On the other hand, a NFP seeks members do pay dues or other organizations to provide donations and grants as the source of operating funds; a NFP is competing with other organizations also seeking members, donations or grants.

As illustrated above, the differences between FP and NFP organizations do not preclude the use of the traditional strategic management tools. However, the NFP label may be biasing management of NFP organizations away from the performance benefits available through the strategic management approach. Therefore, our purpose in this paper is to help mangers of NFP organizations recognize how the strategic management approach can help improve the performance of NFP organizations much in the same way as the same tools help FP organizations (Porter, 1980).

In the following sections, we'll provide a summary of the strategic planning approach in general so that everyone has a common understand. Concurrently, we'll apply to tools to a NFP; specifically to a Chamber of Commerce for a large metropolitan city.

THE STRATEGIC MANAGEMENT PROCESS

Your first step in learning the strategic management process should be to put yourself at ease. Although, the name itself invokes a grandiose scheme that may seem bigger than life, strategic management is, in fact, little more than an exercise in time management. It's all about how to achieve what's important when faced with conflicting demands and limited resources.

Second, don't get caught up in the hype of strategic management. Too many organizations go through the motions but lose sight of the intent. These companies are ridiculed in mainstream culture such as in the Dilbert comic strip. Remember the intent of strategic management is to set your company up for future success.

The following discussion includes descriptive steps in the strategic planning process. The first phase of strategic management is planning followed by implementation. We concentrate on the planning process here by showing how things *should* progress while giving some practical examples.

We start off with the direction setting strategies. In setting the direction for an organization, we need to answer some basic questions. Where are we today? Where do we want to go? How are we going to measure our progress?

Mission

Where we are today is addressed in the Mission statement. Equally important as knowing where you are going, you need to know where you are starting from—where you are today (Ireland & Hitt, 1992). Finding examples of BAD Mission statement is as easy. A good mission statement is simple, to the point. It should include your organization's name, its purpose, its major product/service offering, its major customer(s), and its source of competitive advantage. Basically, it needs to answer the question of "Why are we in business?"

For illustration, assume a fictitious chamber of commerce, Metro City. Metro City's members include businesses from the Metro City metropolitan area. A good mission statement would be:

"The Metro City Chamber is the premier business organization in the greater Metro City area. We work on behalf of our members to help their businesses grow, implement relevant and informative programming and provide opportunities to build relationships with other businesses in the community. We offer training courses, marketing assistance, networking events, advocacy support and liaison between our members and the city, state, and national political leaders, while also trying to remove some of the stress with social events. Our operations rely on funds from dues paid by our members who come from the business owners in the Metro City area. We consider the Kiwanis Club, Downtown Development District, and Tourist Commission to be our competitors for these members and their dues. However, we stand apart from our competitors by offering a much more comprehensive breadth of business services to our members."

After reading this mission, one can easily picture what the chamber does. It would be difficult to develop a similar understanding if the mission was simply "To promote business". In fact, the statement could include some more detail on the services offered to members. However, one needs to balance content with understanding. Therefore, avoid the hype and concentrate on the facts. You can use other tools to expand on the message at some future point. For strategic management tools, we should remain with the critical few factors, not the trivial many.

Vision

Now that we know where we are, we turn to address where we want to go. This issue is addressed in our Vision statement. We can all remember President John F. Kennedy's vision of "A man on the moon by the end of the decade" and Martin Luther King's vision of "I have a Dream". Both are simple yet extremely powerful.

A good vision need not be as powerful as those above; but, it should be useful. The organization's vision should paint a clear picture of the company in the distant future—one that can easily be seen in the mind.

In general a vision is often less defined than the mission and more goal-oriented. Visions provide a unifying motivation. While flexible, three to five years is a reasonable time frame. A good vision should inspire and motivate the entire organization.

Building on Metro's example, a decent vision could be, "Metro City Chamber of Commerce is recognized as an integral part of pursuing business in Metro City. When a business owner decides to open a business in Metro, the decision to join the Metro City Chamber of Commerce is an automatic part of the opening process." This vision provides sufficient direction for the leaders of the Chamber to use when setting priorities.

Now that we know where we are (e.g., the mission) and where we want to go (e.g., the vision), it's time for a reality check. The leadership needs to evaluate the organization relative to competitors to see what he needs to do in order to make sure that he can reach his desired future. This issue is addressed in the next part of the process and has two steps. We start by looking inside the organization with an internal evaluation of what the organization has and then look outside at the external environment to see how the organization compares to competitors.

Internal Evaluation

Internal evaluation involves some serious soul-searching. You need to look around your organization and take inventory of everything that you have at your disposal. Put yourself in Metro's shoes and the inventory should contain everything: people, buildings, desks, chairs, membership rosters, telephones, web pages, grants, etc.—these are resources. Now look at what's being done with those resources: training members, recruiting new members, lobbying for the membership, applying for grants—these are activities.

The internal evaluation process should provide a very detailed description of the business, what it has and what it does. The more detail the better. In fact, the soul-searching session will be more effective if you can remain objective and refrain from assigning adjectives during the identification phase. To illustrate by building on Metro's example, one resource could be the chambers' membership roster. While the roster may be a reason for success, avoid any claims of 'comprehensive' or 'talented' list of members for the moment. Simply list everything; the list will be pared down and prioritized later.

Metro's resources would include: a Board of Directors with credentials from particularly well known businesses in the area; two web design technicians; 1,000 square feet training facility; three projectors; three laptop computers; a lease on the property; etc. Metro's activities would include: three training classes per day, five days a week; sending weekly newsletters to all members electronically; coordinating annual meet and greet sessions during legislative sessions; daily updates to the community web page; tracking new business licenses; sending invitations to all new business owners to join the chamber; paying the employees; etc.

More detail in describing the activities is better because we have to evaluate each of the activities to see where Metro ranks relative to its competitors. We want to find out what Metro does better than its competitors. Furthermore, why should potential members choose Metro over its competitors: Kiwanis Club, Downtown Development District, and Tourist Commission? This is the question we want to answer next, and the more activities we have in our description, the more options we have in our next step—external evaluation.

External Evaluation—the Competitors

You now need to identify your Industry; this is you and all the competitors fighting for the same group of customers (Porter, 1980). Your company's intent should be to attract those customers instead of allowing them to freely seek out your competitors; this is critical to your company's success. Simply, you need to determine what the customers want. You then need to perform those internal activities which are the bases for what the customers want; and, you need to do so better than the competitors. You can now see why it was so important to identify all of these players clearly—so that you can now analyze the situation.

A side note here: strategic management should be an on-going process and not a one-time event. Likewise, nothing is case in stone; you can change your definition of the players as necessary to ensure you're not overlooking potential changes in the future. Now, back to the analysis.

Of course, identifying customers and what they want are much easier said than done. You'll have to rely on marketing research to identify what your target customers want and how they decide among various competitors. In Metro's target market, the potential members come from owners of businesses in the metropolitan area; this is consistent with the earlier mission statement. Similar to FP businesses, Metro can hire a consultant to survey the potential members to see what criteria they use when deciding how best to spend their limited resources on improving the chances of business success. And, since Metro also has the benefit of regional and national level chambers, it can draw on their expertise.

For our example, let's assume the consultant identified three factors that are strategically viable (i.e., can be used to attract customers): good track record at helping businesses grow; well established; and, breadth of services to a business owner. Metro, being a NFP organization, identified three other organization's that may be able to satisfy the above criteria: Kiwanis Club, Downtown Development District, and Tourist Commission.

The task at hand is to make sure that Metro is better able to provide the above three factors better than the other three organizations can. In other words, Metro wants to make sure it has a competitive advantage. Therefore, we need to evaluate each of Metro's activities relative to the corresponding activities of the other three competitors. The initial intent is to see which activities Metro performs better (i.e., the strengths) AND where Metro doesn't perform as well (i.e., the weaknesses) relative to the competitors' performance of corresponding activities.

We can now revisit Metro's activities and see if, and where, it has a competitive advantage. Recall, the customers' first decision criterion was convenience. After evaluating her location relative to those of the three competitors, we can see if more potential customers are within a three block radius or not. The second criterion was good record of helping businesses grow. After hiring an objective evaluator to examine members of all four organizations, Metro found that its roster contained more successful businesses than the rosters of the other three organizations. This evaluation demands further measure since it is so critical. Metro really needs to come up with objective measures for defining a 'business growth'. The second criterion was well established. Again, an objective measure of this criterion could be the age of the organization or the average tenure of the current board of directors.

Due to space constraints, we'll limit our coverage here. To be really useful, you should evaluate ALL of your activities against VERY specific measurement criteria in order to see where you rank relative to your competitors or industry standards (Barney, 1997). You may find other sources of competitive advantage as well as areas, not necessarily linked to the competitive advantage but where you need to improve your business such as reducing costs.

We'll now shift our focus to the longer term implications. What else is going on around your organization that you haven't considered yet? How will those events change the way you're conducting business in the long term?

Other, Broader External Considerations

Strategic management considers those changes in the external environment that affect me and my competitors to be the most applicable. Normally, these changes will affect the overall demand for the good or service being offered. In our situation, Metro and its competitors are offering a service to businesses in general. Therefore, whatever can change those potential member business's will also affect Metro and the competitors.

For instance, when the availability of capital increases, we normally see an increase in the number of business openings. These new businesses increase the market for services offered by Metro and the competitors (e.g., the 'pie' gets bigger).

In general, we refer to external factors that can have a positive impact on businesses as opportunities and the negative ones as threats. Since these opportunities and threats affect all businesses, your organization's specific competitive advantage will allow you to benefit more than your competitors when all are faced with the same opportunity.

For instance, the increase in the number of business openings increased the number of potential members. On the positive side (from Metro's perspective), these new business owners are going to be looking for ways to increase their business. In our scenario, they will look to Metro, Kiwanis Club, Downtown Development District, and Tourist Commission. They will then look at the three factors we considered strategic viability. Since Metro has an advantage in success, it should enjoy higher demand than the other three.

On the negative side, an economic downturn would most likely decrease the number of businesses. At the very least, such a downturn will reduce the ability of businesses to pay membership dues. However, since Metro enjoys a competitive advantage in success rates, it should lose few customers than the other three.

The evaluation of the general environment is the least well-defined analysis in strategic management. One must be very creative and insightful in order to notice changes. In fact, it would really help if you could predict the future. However, since that's impossible, your next best bet is to stay alert to what's going on around you by scanning the environment. By paying close attention to as much media as you can afford, you become more sensitive to changes. Although you won't be able to actually predict a change, you may be able to notice subtle changes before your competitors. You can then take action before anyone else and give yourself a competitive edge.

Putting it all together in a Plan

It's now time to put these pieces together into a coherent and comprehensive strategic plan. The theme in any strategic plan is to FIT all the pieces together. Ask yourself the following questions and then develop a to-do list of objectives that will set your company up for future success:

Do I have sufficient resources to accomplish my current mission and achieve my future vision?
Do I have sufficient strengths to ensure that I remain competitive?
Do I have too many weaknesses such that they will overwhelm any advantages I may have?
Are there enough opportunities and not too many threats such that I can achieve my future vision?

If you can answer all questions, yes, then your priority is to simply monitor the situation and note if anything changes. If you answer no to any of the questions, then you need to establish a detailed action list to correct the situation. Based on your understanding of where each of the pieces fit into the bigger picture, you can develop an action plan to correct the situation.

Actually accomplishing the necessary tasks is the basis for the second phase of strategic management, the implementation phase. But, until the actions are identified, the plan can't be carried out. The entire process strategic management process becomes iterative and enduring. It's easy to see that strategic management is a philosophy or way of thinking.

SUMMARY

Strategic management is all about positioning your company relative to your competitors so that your performance will be better than theirs. This process is accomplished through discrete but interconnected steps where you identify resources and activities. You then compare your activities against your competitors' activities to see whose are better; these become strengths for the owner. Your strengths that correspond to what the customers want become your competitive advantage. You then use your competitive advantage, in the face of changing environmental conditions, to out-perform your competitors.

But, it's not just a one-time deal. Strategic management is more of a philosophy than a step-by-step process to fix something. It's all about being proactive. And, since we're talking about the future, we know that we can't be exact. Therefore, things change and you have to be able to adjust to that change. Nothing about your strategic plan is cast in stone. The environment changes, the customers change, the competitors change. You just have to make sure that you're best situated to change too.

All too often we hear about: putting out the fires; crises management; and, reactive vs. proactive. We 'know' that we should plan; it's just too easy NOT to plan. Through the use of this primer, we hope that you how have a better understanding of the practical application of strategic management tools. Even more so, we hope that you recognize how naturally strategic management fits with a common sense perspective of running an on-going business. Finally, combining an understanding that one should plan with the planning structure that strategic management provides, we hope that many will embrace the strategic management philosophy and enjoy a positive influences on their bottom lines.

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RESTAURANT BEHAVIOR IN TIMES OF ECONOMIC GROWTH IN NEW ORLEANS, LOUISIANA

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ABSTRACT

The economic behavior of eighty-eight restaurants in New Orleans was studied. Specifically, what was their economic status, what were their problems, what did they do to solve them and where did they go for help.

The majority considered themselves to be doing well. The major problems had to do with employees and operations. Careful hiring, training, and better communication with employees were the major methods to improve employee productivity and reduce turnover. A majority of respondents did not seek outside assistance. Other businesses, friends, family members were sources. Employees were the major source to help in employee-related problems. Government agencies were used very little; universities not at all.

INTRODUCTION

Seafood gumbo, Oysters Rockefeller, shrimp remoulade, jambalaya, poboys, and red beans and rice, comprise a sample of foods unique to New Orleans and found in many restaurants, neighborhood to fine dining. Food plays an integral role in the daily lives of residents in the New Orleans area and perhaps South Louisiana as well.

New Orleans is in a unique position in catering to the food tastes of both residents and visitors. Eating out at a restaurant is very prevalent for locals at all economic levels. Visitors want to enjoy real New Orleans food; therefore, we have a wide variety of restaurants catering to locals and visitors alike. The growth of restaurants has been strong since Hurricane Katrina in 2005. In 2007 there were some 750 restaurants in the New Orleans Metro Area. By mid-2014 the number of restaurants increased to some 1400 (New Orleans Metro Area...2014). The purpose of this study is to examine the status of restaurants in the New Orleans Metro Area. Specific issues to be addressed include:

1. How well is the restaurant doing?
2. What problems does the restaurant now face?
3. What actions has the owner taken to solve these problems
4. What sources of help did the owner seek out?

LITERATURE REVIEW

Since Hurricane Katrina, the New Orleans Metro Area and Southeastern Louisiana have merited several academic studies. Lacho, Bradley, and Cusack (2006) studied how business nonprofits such as chambers of commerce helped small businesses survive the aftermath of Katrina. Cater and Chadwick (2008) conducted an exploratory study of the response of two small businesses in South Louisiana to the crisis brought on by Hurricane Katrina.

The effects of the BP oil spill and Hurricane Katrina on businesses were studied by Mancuso, Alijani, and Kwan (2010). This was followed by a study by Mancuso, Alijani, Omar, and Ordogne (2011) of the impact on businesses in three South Louisiana towns. Lacho and Eness (2011) examined the recovery of small neighborhood small businesses in neighborhoods in the city of New Orleans three years after Hurricane Katrina (2011). Lacho and Brockmann (2013) studied the behavior of small business owners as the result of Hurricane Katrina, the BP oil spill, and the Great Recession.

RESEARCH METHODOLOGY

Eighty-eight owners and managers of restaurants were interviewed. This was a convenience sample. The questionnaire was made up of open-ended questions which allowed for probing by the interviewer. Questions centered on the problem areas described above. The research should be considered to be exploratory in nature.

Franchise fast food chains were excluded. Of the 88 restaurants, there were 14 Asian, seven coffee shops (served food as well), six sit down chains (for casual dining), three food trucks, three serving Mediterranean food, and five restaurants which have been in business at least 100 years. The remaining restaurants were general in nature.

The average age of the restaurants was 17 years with a range from 2 to 134 years. The number of employees ranged from 3 to 80 with an average of 23 employees per restaurant. Forty-seven firms were located in Orleans Parish, 34 in Jefferson parish and 7 in four outlying parishes.

FINDINGS

The majority of respondents felt their business was doing well. Only 15 percent felt that business was bad. Next, we consider the types of problems the restaurants faced. Problems were divided into internal and external. Internal included problems related to employees, operational, controlling costs, cash flow, and none. The main external problems included the economy (demand), competition, technology change, product availability, customer behavior, and none. In some cases the respondent cited both external and internal problems.

Internal problems dominated the types of problem encountered. Problems related to managing employees was the major internal problem as noted by 48 percent of the respondents. Operational problems ranked second (26 percent) rising costs of food products such as seafood and milk (26 percent).

External problems were less of a concern than internal ones. Seventy-seven percent of the respondents indicated no external problems. Eleven percent considered customer's behavior to be a problem, whereas seven percent noted competition. Only four percent noted the economy or consumer demand to be an external problem.

ACTIONS TAKEN

A number of actions were taken to deal with the problems faced. These included personnel actions (52 percent), increased marketing or promotion efforts (20 percent), and product (e.g., menu) changes (20 percent). Minor actions were related to technology and raising prices (both at 7 percent) and cost cutting (5 percent).

These firms went to a variety of sources for help in solving problems. Sources were categorized as follows: banks/financial, attorney/CPA consultant, other business owners, friends/family, corporate ownership, local, state, and federal agencies, trade associations, vendors, internet, customers, trade magazines, universities, marketing firms such as advertising agencies, employees, and own business experience.

Some 18 percent consulted with employees on problems, Eleven percent sought out friends or family members, whereas nine percent went to other business owners. Seven percent used the Internet. Interestingly, some 25 percent did not seek out outside sources for help.

DISCUSSION

Seventy percent of the respondents considered their restaurant to be doing well. These findings compare favorably to a statewide survey of Louisiana small business owners. Some 73 percent of the respondents were confident that they were benefitting from a growing Louisiana economy (Lorino, 2014, December).

The positive attitude of the respondents is reflected by the growth of the tourism and eating and drinking markets in the New Orleans Metro Area. There were 9.28 million visitors in 2013, up from 9.01 million in 2012. Spending by tourists including gambling was $6.47 billion.

The growth of the tourism and restaurant industries is reflected in employment figures. In the first six months of 2014, the number of jobs in the Leisure and Hospitality sector grew by some 3,440 jobs, an increase of four percent over 2013 (New Orleans Metro Area...2014). Of the total number of jobs added, nearly 2,100 were in the Food Services and Drinking Places subsector. This growth was supported in part, by the addition of 50 new restaurants in the area during 2013 (New Orleans Metro Area...2014).

A major internal problem was employee-related. Types of employee-related problems included the following: poor quality of employees, socializing too much, not taking the job seriously, giving product away to friends, theft, turnover, leave due to school, or leave for a job at another restaurant, and lack of reliability.

High restaurant employee turnover is due to several factors. The industry employs a high proportion of students who normally do not work a full-year schedule. Restaurants also boost seasonal staffing levels at various points during the year, which adds to normal cyclical turnover numbers. Full-year employees also contribute to turnover as upward mobility in the restaurant industry often happens from one restaurant to another (Grindy, 2014).The rapid growth and a large number of restaurants in the New Orleans area contribute to this chance at upward mobility of employees.

Some 27 percent of the problems were defined as operational. Such problems were specific to individual restaurants. For example, parking was the major type of operational problems. Parking may have been a problem for a restaurant located on Bourbon Street in the French Quarter but not for one located in the suburbs.

A sample listing of specific operational problems include: coffee machine not working, computer system problems, incorrect order shipments, getting fresh seafood, need security for parties held at restaurant, and the loudness of live music had become a problem for nearby residents. This partial list exemplifies the individualized nature of problems faced by restaurants. Another problem, though not very large, was related to the rising cost of doing business (16 percent). The costs were those related to purchasing food materials, especially seafood. No one mentioned the rising cost of health insurance.

External problems were not as great a concern as internal problems; as some 77 percent expressed no external problems. Seven percent named competition as a major problem; 11 percent named problems with customers. The percentage stating no external problems may reflect the good local economy, spurred by the impact of tourism and the food and beverage industry.

Fifty-two percent of the respondents took action related to employee problems. The predominant actions taken to deal with employee problems and turnover were hiring from trusted referrals, monitoring employee performance, and employer-employee communication.

Marketing-related actions were made by 20 percent of respondents. Increased promotion via social media was a major form of promotion. Product (menu) changes made up 20 percent of action. The latter action reflects consumer desire for change. Unfamiliar domestic and global foods are being introduced in New Orleans. Many menus include dishes made with local ingredients, produce, and meats (Sclafani, personal communication, January 30, 2015).

Actions related to the product were carried out by 20 percent of the respondents. These actions reflected the rise in costs of raw materials which went the product. The restaurant management did such things as reducing portion size or adding less costly items to the plate such as rice and vegetables while cutting back on meat and seafood.

Where did firms go for help in solving their problems be they external or internal? Some 25 percent did not seek out any specific source for help. Employees served as a source for 18 percent of the respondents. Typically employees were sought out to provide input to solve employee-related problems and restaurant operation issues.

Eleven percent sought out friends and family. Some businesses were being operated by children of the founder so it seems logical they would go to older family members for assistance. Similar findings were found by Lacho and Brockmann (2013) in their study of small businesses in New Orleans. Seventy-two percent of service firms and 27 percent of finance firms sought out friends and family.

Nine percent of restaurants went to other restaurant owners for assistance. In the Lacho and Brockmann (2013) study, 31 percent of retailers and 62 percent of service firms went to other firms for help. The use of these sources reflects a personal contact or relationship which is used. One explanation is how business is done in New Orleans. Personal contacts and relationships are very important. Many of these relationships are the result of networking, meeting people at meetings of chambers of commerce and trade associations.

The use of services (attorney, CPA, banker) may reflect the use of these sources to solve a specific problem. Of note is the low use of local, state, and federal government agencies as a source of help. There are many sources of help available from government-related sources such as Small Business Development Centers, and the Service Corps of Retired Executives. Either the respondents were not aware of these services or did not trust any government agency. Trade associations were sought out by 3 percent of the respondents. In all cases the respondents used the Louisiana Restaurant Association. Universities were not mentioned as a source.

CONCLUSION

New Orleans is known for its unique and different food dishes. It is in a special position in catering to a growing tourist market and where eating out is very prevalent behavior for locals at all economic levels.

The majority of respondents felt their business was doing well. Internal problems dominated the types of problems they faced. The major problem was with employees. Other problems included operational and rising costs, especially of raw materials. The primary actions concerning employees were care in hiring, training, and better communication between management and employees.

Employees served as a source of help in solving employee-related issues. Friends, family, and other business owners were sought out for help. Bankers, attorneys, CPAs, government agencies, and trade associations were used little. Local universities were not used as all.

Restaurants have a bright future in New Orleans as the local economy and tourism expand. On the other hand, they face and will need to adjust to changes in the environment. Popup restaurants and food trucks will use more restaurant owner's parking lots and restaurant locations on their closed days. Menu prices will continue up due to the increase in the cost of leases, labor, and food products. Customers want healthier preferences, e.g. awareness to allergies (gluten free foods). Local sources will be used more for produce and meats. Last, we shall see an increased use of social media (Sclafani, 2015).

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SMALL BUSINESS AND OBAMACARE: A TEMPORARY REPRIEVE

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ABSTRACT

Some small businesses were granted a temporary reprieve following postponements to the implementation of numerous provisions of the PPACA (i.e., ACA/Obamacare). While many have characterized the law's impact—once fully implemented—to affect only a small portion of businesses overall, those with more than 50 full-time equivalent FTE employees, such a view fails to acknowledge that all citizens are affected under the new law. This is because the ACA includes both an individual mandate and an employer mandate, and the former of these two mandates affects the self-employed entrepreneurs and non-employer firms. According to Small Business Administration data[1], almost eighty percent of small businesses are non-employer firms (run by persons who are arguably more likely to create new jobs as compared to job seekers and employees).
Key Words: Obamacare, Affordable Care Act (ACA), small business, economy, government regulation

INTRODUCTION

This paper explores issues that are on the immediate horizon as small businesses attempt to maneuver the Patient Protection and Affordable Care Act[2] (ACA, a.k.a., Obamacare), as amended by the Health Care and Education Reconciliation Act[3]. Some small businesses "won a reprieve" (Needleman & Loten, 2014) from Obamacare, until 2015 or later, but "the penalty for not buying insurance is going up" (Klein, 2014b). The ACA's nuances and impact, whether small business owners may be deciding to pay penalties (Coombs, 2013; Neiburger, 2011), provide health insurance coverage, or otherwise attempting to mitigate unfavorable consequences of the law is a game-changer. According to testimony by the founder and president of the Galen Institute (a not-for-profit health and tax policy research organization) before the US House of Representatives Committee on Small Business Subcommittee on Investigations, Oversight and Regulations:

> Even though small businesses are exempt if they have fewer than 50 employees, it presents a huge obstacle to their growth. And even if the company is small enough to escape the mandate, each of the employees still will be subject to the individual mandate in PPACA. The costs and disruptions are enormous. (Turner, 2011, p. 11)

Noting that health insurance has been a top issue for small businesses for decades (Dennis, 2013), they are also attempting to leverage any positive changes under the law. Meanwhile, the reprieve was only temporary (depending on the size of a given business), and a schedule with

[1] FAQs. (March, 2014). Retrieved from https://www.sba.gov/sites/default/files/FAQ_March_2014_0.pdf
[2] Patient Protection and Affordable Care Act, Public Law 111 - 148 (H.R. 3590) C.F.R. (2010).
[3] Health Care and Education Reconciliation Act, Public Law 111 - 152 (H.R. 4872) C.F.R. (2010).

higher and higher penalties (as a flat-fee or a percentage of income, whichever is greater) over time was not adjusted despite the postponements.

A TEMPORARY REPRIEVE

Under the ACA large employers, i.e., those with more than 50 FTE employees were to provide health insurance or pay penalties in 2014 (Full-time equivalent employee calculator for employer shared responsibility, 2013; Small business health care tax credit questions and answers: Determining FTEs and average annual wages, 2013). And, rather than chose to comply with Obamacare by purchasing health insurance under either an individual or an employer mandate, some may choose to instead pay the penalty (Berry, 2014). President Obama's first delay of the employer mandate under the ACA occurred in July 2013.

This delay changed the date of enforcement for businesses employing more than 100 FTE (full time equivalent) employees from January 1, 2014 to January 1, 2015. Then, in February 2014, the date was extended again (Treasury and IRS Issue Final Regulations Implementing Employer Shared Responsibility Under the Affordable Care Act for 2015 2014); this latter extension though applied to small businesses with fewer than 50 FTE employees whose average wages were less than $50,000 per year. Firms with 50 to 99 FTE employees were still required to report on their employee health care coverage that would be provided in 2015, but due to the postponement these businesses were given until 2016 pay any penalty amounts due under the ACA's employer mandate.

This latest delay in the employer provided health insurance requirements did afford small and mid-sized businesses more time to react to both the costs and some of the more onerous provisions of the ACA (Clark, 2014). "But the Obama administration pushed that deadline back repeatedly after the bungled rollout of health insurance exchanges in late 2013" (Klein, 2014a). Contrary to some arguments which have proclaimed that a majority of businesses are not affected by the ACA, because of the individual mandate, even very small businesses with no employees are impacted (Lahm Jr, 2014). Although the penalty under this individual mandate had been $95 in 2014 (or 1 percent of household income, whichever is greater) the new penalty has increased to $325 (or 2 percent of household income, whichever is greater). "The applicable dollar amount is $95 in 2014, $325 in 2015, $695 in 2016, and increases with an inflation index for years after 2016" (Health Care And Education Reconciliation Act, 2010; Neiburger, 2011).

"GLITCHES" AND DESIGN FLAWS CONTINUE

The HealthCare.gov website was supposed to provide a convenient shopping experience for users so that they could purchase affordable health insurance coverage. From the very beginning (on October 1, 2013, when HealthCare.gov launched), the website sputtered, hiccupped and crashed like a failed design for a "flying machine" at the advent of aviation. However, the difference is that the functionality of such a site is not new. As observed by Schlussel (2013) "the Obama administration gushed that it [HealthCare.gov] can now (barely) handle 50,000 users at one time…contrast that with Walmart over the Thanksgiving holiday weekend or Amazon today, Cyber Monday."

Jeff Bezos, founder of Amazon was interviewed on the CBS News television show *60 Minutes* (Rose, 2013). During this show it was stated that Amazon expected to handle 300 items per second. "That's 18,000 transactions per minute and 1,080,000 per hour. For a 24 hour period, it's 25,920,000 sales. And that's not counting traffic from those who browse the site but do not make a purchase" (Schlussel, 2013).

Questions about the site and serious issues remain. For example, it was recently announced on the Centers for Medicare & Medicaid Services (CMS) website that approximately 800,000 users of HealthCare.gov received incorrect tax forms—20 percent of those "who signed up through one of the 37 states using HealthCare.gov" (What consumers need to know about corrected Form 1095-As, 2015). As observed by the *National Law Review*, "Customers involved in the glitch will likely have to wait weeks to receive new forms to refile their taxes. This latest problem is one in a string of issues that have faced HealthCare.gov since its inception" (Goldstein, 2015). A comment beneath an article related to this event on a website for professional accountants stated: "Only 20%? Only 37 states? If ONLY the government could something RIGHT, there would be no need to defend their 'screw-ups' as ONLY this or ONLY that" (Cohn, 2015; comment by Thomas P., February 23, 2015, 8:09 AM).

The Small Business Health Options Program (SHOP) is a web portal that is a part of the HealthCare.gov site to which small businesses were directed to purchase health insurance (SHOP health plan information for small businesses, 2013). However, the SHOP launch was postponed when it became clear that a major overhaul would be needed (Radnofsky, Weaver, & Needleman, 2013; Taulli, 2013). Since then, work has been done to improve the users interface of the SHOP marketplace exchange, yet the backend is still plagued with problems (Goodman, 2015). The anecdote below, quoting a *Wall Street Journal* article about those supposed improvements, is telling with respect to a continuation of process flaws:

> Jennifer Alley in St. Louis said she spent time at the online health insurance portal late last month, when she created an account for Steady Rain Inc., the digital strategy agency with 20 employees, where she works as a chief financial officer. She said she was generally satisfied with the experience. 'Overall I didn't find many problems with it. . . it was definitely streamlined,' she said. One thing that caught her attention: Her personal information was listed under 'Company Account Profile.' 'You're entering the information setting it up as the employer, but they're asking for your individual Social Security number. I was surprised by that,' she said. That approach, she added, is one that assumes the business owner herself is setting up the account, rather than, say, a CFO or human-resources administrator. (Janofsky & Radnofsky, 2014)

Logically, it follows that process flaws are brought about by underlying assumptions on the part of a given website's developers. HealthCare.gov at large (and thus the SHOP marketplace as well) has numerous serious security flaws in the first place (Chumley, 2013; Lahm, 2014; Roy, 2013; Wallace, 2013). The inference from the anecdote suggests that these are not helped by a design that evidently, at least in this one case, did not anticipate a user besides the business owner acting on behalf of the business. One might have thought that the system would have allowed for the use of an EIN (Employer Identification Number) to identify a business as an entity that is the "customer" (as compared to an individual user).

CONCLUSION

The PPCA has already created tremendous uncertainties among individuals and small businesses (Anderson, 2014). A plethora of surveys about anything from perceptions to actions on the part of small businesses have demonstrated that the law "is already having a lasting impact on how lots of owners choose to run their companies" (Needleman & Loten, 2014). One survey of Michigan firms found that "many employers plan to shift more insurance costs to workers, often in the form of high-deductible plans or changes in prescription drug coverage"

(Thoms, 2015). In the meantime, increased fines are here, and the temporary reprieve for many small business owners (and the employees, and the self-employed), is over.

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THE FIVE ROLES OF THE ENTREPRENEUR

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ABSTRACT

The scholarly world of entrepreneurship continues to face a conceptualization challenge. The plethora of entrepreneurship definitions creates confusion and limits our ability to communicate about entrepreneurship, and worse, impedes our potential problem solving capabilities aimed at key issues facing entrepreneurship in the world today. In this paper we approach the conceptualization issue by defining entrepreneurship as new venture creation, but incorporate several other conceptualizations by assigning different conceptualizations to specific roles carried out by, and responsibilities of, the entrepreneur.

This study examines the five fundamental roles performed by the entrepreneur in new venture creation, management, and growth. Further studied are the disparate nature of these roles and responsibilities. In addition, the study explores the difficulties faced when attempting to simultaneously maximize each role, or faced when identifying which role is most appropriate or adds the most value to the success of the new venture at any given point in time.

A thorough literature review is conducted and interview data collected from nascent and practicing entrepreneurs, and from small business owner-managers. Qualitative data is also extracted from the PSED (Panel Study of Entrepreneurial Dynamics) data set, and from students taking a business capstone course who report they definitely will start their own business in the near future. Results reveal five fundamental and highly disparate roles: (1) resource acquisition and bundling, (2) efficiency and administrative management, (3) visionary leadership, (4) reputation and compliance ownership, and (5) financial management and investor relations.

Findings suggest that entrepreneurs often are unaware of the vast disparities present in their roles and responsibilities, and that unnecessary confusion compounds a situation of uncertainty and overwhelm. Findings further suggest that entrepreneurship courses fail to address the issue of broad disparity between functional responsibilities, fail to acknowledge the broad knowledge base needed to make informed decisions, fail to teach assessment analytics to determine where limited time and resources should be directed among these roles and responsibilities, and fail to provide sufficient time management training needed to allow for the multi-tasking and prioritization of these disparate roles and responsibilities.

A list of recommendations is provided targeted at the issues of (1) managing disparate roles and responsibilities, (2) the time management of these disparate duties, and (3) valuing and assessing the potential return on time and effort afforded each function. It is widely accepted that entrepreneurs wear a variety of hats. This study examines the specific roles, but more importantly, explores how to best juggle the disparate roles and responsibilities, and how to assess when to focus on which roles.

INEXPENSIVE DNA TESTING: A POTENTIAL MINE FIELD FOR FAMILY BUSINESS

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ABSTRACT

Family businesses are unique in that they face issues that non-family businesses avoid altogether. In family businesses, bloodlines remain a major factor in employment decisions. Family businesses face a serious challenge when it comes to decisions and strategies regarding leadership, management, and ownership succession. Parenting and child development play a key role in family businesses. Reactions and management of socially unacceptable diseases, such as alcoholism and drug abuse, and criminal acts, such as child and spousal abuse, are much more serious in a family business. Even sexual orientation, religion, and marital choices come into play in a family business. All of these are family issues that carry forward into the family business, effecting both family and non-family employees.

This study explores the recent advent of inexpensive DNA testing as a potential landmine lurking hidden among the family business landscape. Paternity fraud is a term popularized in the late 1990s and represents a situation in which a mother names a man to be the biological father of her child when she knows another man may be the father. It is a criminal offense in the United Kingdom and in some states in America. Paternity issues, however, extend much further than the criminal system. They represent social uncertainties that have heretofore gone unnoticed and easily hidden from public and private view.

Historically, past paternity issues have gone untested due to a lack of reliable technology and prohibitive costs. In the face of technological limitations and unreasonable costs, the totality of negative costs, including emotional, disruptive, and financial costs, outweighed in many cases the potential gain of knowing the truth. In these instances, managerial, employment, leadership, and succession decisions were based on inaccurate or incomplete information.

A thorough literature review, interviews with attorneys, and discussions with family counselors informs this study. Findings suggest that the rapid introduction of reliable technology at price points under $100 may lead some family members to test the waters, and to some who do, whether innocently or not, may open a door into a situation that is irreversibly harmful to the family and family business.

Based on the data collected, and experts who have published in their respective fields, recommendations are provided regarding how to plan for such situations, how to preempt a potential family disaster, where to turn for advice, and how to minimize the damage of such circumstances. Families can mitigate or avoid altogether the damaging and expensive effects of paternity fraud, and make strategic decisions for the family business to enhance the chances for improved sustainable harmony and prosperity.

MILLENNIALS IN THE ENTREPRENEURSHIP CLASSROOM

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ABSTRACT

Entrepreneurship education is rapidly expanding around the globe, taking on a variety of formats and pedagogies. Entrepreneurship educators are woven into the economic fiber of society, committed to informing and inspiring nascent and practicing entrepreneurs. On the one hand, we are chartered with the task of unleashing the entrepreneurial spirit of our students, and on the other we are tasked with the responsibility of truthfully depicting what can be an emotionally devastating and financially disastrous journey filled with unknown risks and doubt. It is the responsibility of entrepreneurship educators to simultaneously understand and deliver current evidence-based knowledge, provide process models that prescriptively and probabilistically define the entrepreneurial journey, and deliver our knowledge and advice in the best pedagogical method to maximize student learning and understanding. This study examines the third of these responsibilities: pedagogical effectiveness.

To succeed pedagogically in the entrepreneurship classroom an instructor must understand one's students. Unfortunately, generational differences between instructor and student can dramatically limit this understanding, and encourage unaware faculty to use pedagogical behaviors and methods that not only fail to resonate with their students, but in fact, shut them down epistemologically. Such an abyss occurs between the preferred teaching style of many entrepreneurship educators who are members of the Baby Boomer Generation, and the learning style of many of our entrepreneurship students who claim membership in the Millennial Generation.

Employing the Theory of Generational Differences, this paper examines the differences between the teaching preferences of Boomers and the learning preferences of Millennials, although examined to a lesser degree are the interactions between the other two generations found in our classrooms and among entrepreneurship educators: The Veterans Generation and Generation X. Identified are specific personality tendencies that hinder learning, and zones of commonality where natural behavior can result in an effortless learning relationship. Most importantly, areas of sensitive and destructive tendencies are identified. Armed with this information, entrepreneurship educators may be more aware of currently employed ineffective pedagogical tools, and replace them with proven techniques that work for their students.

Results suggest that the vast difference between Boomer and Millennial personality traits can cause severe limitations in the entrepreneurship classroom. Recommendations for entrepreneurship educators are provided including language and linguistic preferences, humor and criticism triggers, framing situations within a context of hope, embracing the role of coach, fueling the need for positive feedback, promoting big thoughts, and avoiding boredom. In addition, recommendations are offered regarding how to bridge the Millennial world of instant information access, constant connectivity, spontaneous availability, and meaningful inclusion.

ENTREPRENEURSHIP AND PERSONALITY

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ABSTRACT

This paper explores the impact of personality on entrepreneurship, and how a better understanding of one's personality can be harnessed to increase the probability of entrepreneurial success and improve new venture performance. Moreover, developing personality knowledge and assessment capabilities may lead to enhanced team and overall firm performance. Reduced affective conflict, superior interpersonal communications, better strategic alignment, and improved job satisfaction and happiness are possible through improved understanding of the human operating system, personality.

The study builds on the concept of unconscious incompetence, arguing that entrepreneurs ignorant of personality knowledge and assessment have an illusion of superiority – a false sense of knowledge. Unreliable introspection for genuine knowledge will lead to the Dunn-Kruger effect in entrepreneurs, a cognitive bias where unskilled individuals mistakenly assess their ability to be higher than is it actually is. Factors of cognitive accuracy are examined and applied to the assessment of personality for both oneself and those with whom one interacts.

Using a popular personality tool and theory, Personalysis™, the study explores how personality components influence individual, team, and organization efficiency and effectiveness. Personalysis® is a comprehensive personality assessment tool used to assess and describe multi-level consciousness. The three level model offers insights into peak performance strategies, and identifies signals of defensive and irrational behavior that may sabotage performance. This graphic instrument also provides an easy-to-understand and easy-to-employ communication model that can lead to improved team performance. The study applies this tool to the challenges and nature of entrepreneurial work.

Data regarding perceived knowledge of personality, and the perceived value of such knowledge, is collected from 71 entrepreneurs and small business managers, and from 95 graduating undergraduate business students. The business students are surveyed before and after listening to a personality lecture that includes a description of the Personalysis® assessment tool. Findings support a Dunn-Kruger effect, and suggest that entrepreneurs may be well advised to attain training in personality.

THE DEVELOPMENT OF ENTREPRENEURIAL COMPETENCE TO PUSH THE SUCCESS OF SMALL MEDIUM ENTERPRISES

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ABSTRACT

The purpose of this study is to investigate the development of entrepreneurial competence to push the success of small to medium scale enterprises or SME. This paper presents some studies' result about the relationship between entrepreneurial competence and business success in Indonesia. Previous papers are mostly performed in developed countries. Institutional and cultural factors, entrepreneurial adoption and competence in developing countries are frequently different from those in developed countries. Respondents in this study are the entrepreneurs in small and medium scale industry that specialize in food and beverage industry in Banten Province, Indonesia. Total distributed questionnaires are 200 questionnaires. Model in this study is analyzed by using structural equation modeling and AMOS program as aid tool. Entrepreneurial competence is unique characteristic owned by entrepreneur and considered as entrepreneurs' total ability to accomplish their duties and achieve success.

POLITICKING AND ENTREPRENEURSHIP: DETERMINING THE CRITICAL POLITICAL SKILL DIMENSIONS FOR HIGH ENTREPRENEURIAL INTENTIONS

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ABSTRACT

The value of entrepreneurship for economical enhancement and social uplift is widely accepted, and thus, considerable research has been geared toward the examination of factors that influence entrepreneurial intentions and success. However, one area that lacks empirical analysis is the importance of political acumen for the entrepreneurial journey, from intent to behavior, and ultimately, success. Since entrepreneurial intentions are an essential antecedent of entrepreneurial behavior, this study examined the dimensions of political skill (social astuteness, interpersonal influence, networking ability, apparent sincerity) to discover which dimensions were more strongly related to entrepreneurial intentions.

Results revealed that although there was a statistically significant positive relationship between entrepreneurial intentions and all political skill dimensions, networking ability, followed by social astuteness, had the strongest correlation with entrepreneurial intentions. Independent t-tests showed differences between men and women, with the female undergraduate students scoring higher on each political skill dimension. However, the associations between each political skill dimension and entrepreneurial intentions were found to be stronger for the male undergraduate students. Theoretical and practical implications of these results as well as recommendations for future research are discussed.

THE ROLE OF COGNITIVE STYLES ON ENTREPRENEURIAL ORIENTATION AND INTENTIONS

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ABSTRACT

Several studies have examined the role of personality and entrepreneurial intentions (Akanbi, 2013; Barbosa, 2007; Crant, 1993; Osiri, Kungu & Prieto, 2012; Zhao, 2010) and personality and entrepreneurial orientation (Kahur, 2012; Lumpkin, 1996; Zho, Seibert & Lumpkin, 2010; Zainol, 2013). With the exception of Kickul, Gundry, Barbosa and Whicanack (2009) and others (including Karabey, 2012; Krueger & Kickel, 2006) studies have been sparse which investigates cognitive style as a factor influencing these phenomenon.

A substantial number of papers on entrepreneurial orientation (for example, Covin, 2014; Covin and Slevin, 1990; Lumpkin & Dess, 1996; Lumpkin & Dess, 2001; Schillo, 2011; Wiklund & Shepherd, 2003) have presented findings about the firm level as opposed to the student or individual level. Furthermore, the distinction between entrepreneur cognitive style and entrepreneur ability (level) may still present some questions as it may not be very clear for some individuals.

An entrepreneur, in the process of being his/her own boss expands the economy, especially with a profitable business. In other words, entrepreneurs are job creators and economy growers, because of the new employment they generate. With such an impact on economic building and development, would it not be beneficial for individuals to understand themselves beyond just the gut feeling of wanting to own a business? For individuals, especially the college student population, would it not be an advantage to them to make the mistakes during the infancy stages of the business, where they may have more time to recuperate, than later, where one failure may lead to another?

Based on Kirton's theory of cognitive styles, an individual can be more adaptive or more innovative in terms of their think style. In other words, it is an individual's preferred way in which he/she creatively engages in solving a problem. The more adaptive can be identified as presenting the following characteristics: predictable, conforming, safe, intolerant of ambiguity and inflexible (Kirton, 1985, 1992). The more innovative, on the other hand is unsound, impractical, unstable, risky, abrasive, a threat to the established system and glamorous (Kirton, 1985, 1992). Kirton argues that neither style is better; people are just different in the way they are innately programmed to provide outcomes to challenges facing them. Cognitive styles are also stable and they do not change. KAI theory offers insight into why people behave the way they do.

KAI makes a clear distinction between style and level and as a result, it more accurately than other instruments measures what the authors are investigating. Cognitive style has to do with preference, that is, the way we like to do or think about things, overtime. Level on the other hand measures one's ability or capacity to do things. An entrepreneur has the mental ability to generate ideas (level); however, that entrepreneur based on his/her preference does it in his/her own unique way.

The authors apply Kirton's Adaption Innovation Theory to explain cognitive style in light of student's proclivity to become entrepreneurs. Findings indicate a relationship between cognitive styles, entrepreneurial orientation and entrepreneurial intentions.

THE ECONOMIC IMPACT OF ENTREPRENEURSHIP: SETTING REALISTIC EXPECTATIONS

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ABSTRACT

Many involved in economic development are convinced encouraging entrepreneurship and small business activity are key to economic growth. Often, however, the positive economic impact of entrepreneurship and small business is exaggerated because of faulty expectations based on hype rather than a critical analysis of current data. Realistic expectations are especially important to guide economic development as the nation's economy rebounds from recession. This paper addresses faulty expectations by evaluating current data and trends to establish a realistic assessment of the impact of entrepreneurship and small business activity.

A primary goal of economic development is increasing per capita income of community members. Jobs and business ownership income are two principle income sources. Therefore, this paper focuses on the role entrepreneurship and small business activity play in generating jobs and business ownership income.

Overall entrepreneurial startup activity and business dynamism, which measures firm births, deaths, expansions and retractions, are in decline in recent years. Of those firms that do start, most remain small (over 50% are home-based) and often fail. Fortunately the probability of failure tends to decline as the firm ages. Even new establishments, which include stand-alone firms and locations owned by larger firms, have recently had minimal startup and growth rates.

Employer firms have shown minimal growth in numbers of firms and in jobs created in recent years. In fact, employer firm deaths have exceeded employer firm births. What job growth there is tends to come from a small number of high-growth employer firms. In fact, high-growth firms make up only 2.4% of all startups.

Overall, the number of employees per firm is declining. Thus, employer firms are getting smaller. Finally, firm size does improve job quality as measured by wage rates and access to benefits. The bigger the firm grows, the better the quality of the job provided.

The income-producing ability of most firms is small. For example, the average soleproprietorship, which makes up 72% of all small firms, produces an average net income of $14,285. Thus, many of these firms provide only supplemental income for a family; however, this supplement can make a big difference in family finances. For families reporting self-employed as the occupation of the head of household, total mean and median family income and net worth exceed that of families with employed heads of household. The difference between the median and mean incomes and net worth for self-employed heads of household families shows a large skew resulting from a few families that have very high incomes and net worth.

The expectations established by analysis of the numbers show that economic development activities may best be focused on supporting the small number of high-growth employer firms rather than on encouraging mass business startups. Business startups are important to family financial health and community growth, but priorities need to be set for the commitment of economic development resources. The biggest return on the investment of economic development resources will likely come from the growth of the few high-growth employer firms.