All authors execute a publication permission agreement taking sole responsibility for the information in the manuscript. The DreamCatchers Group, LLC is not responsible for the content of any individual manuscripts. Any omissions or errors are the sole responsibility of the individual authors.

The Academy of Entrepreneurship Proceedings is owned and published by the DreamCatchers Group, LLC, PO Box 1708, Arden, NC 28704, U.S.A., (828) 507-9770. Those interested in the Proceedings, or communicating with the Proceedings, should contact the Executive Director of the Allied Academies at info@alliedacademies.org.

Copyright 2012 by the DreamCatchers Group, LLC, Arden, NC
# Table of Contents

AN EMPIRICAL EXAMINATION OF ENTREPRENEURIAL INTENT IN THE EQUINE INDUSTRY
   Arifin Angriawan, Purdue University Calumet
   Susan E. Conners, Purdue University Calumet
   Jonathan Furdek, Purdue University Calumet
   Derek Ruth, Purdue University Calumet

INDIVIDUAL ENTREPRENEURIAL ORIENTATION: FURTHER INVESTIGATION
   Dawn Langkamp Bolton, Western Kentucky University

A STUDY OF VETERAN-OWNED SMALL BUSINESSES AND THE IMPACT OF MILITARY RESERVE CALL-UPS SINCE 9/11
   Martin S. Bressler, Southeastern Oklahoma State University
   Linda A. Bressler, University of Houston-Downtown
   Mark Bressler, Bressler & Bressler Consulting Group

ENTREPRENEURSHIP WITH SOCIAL VALUE: A CONCEPTUAL MODEL FOR PERFORMANCE MEASUREMENT
   Cheryl Clark, Georgia Gwinnett College
   Linda Brennan, Mercer University

SOCIAL MEDIA ANALYTIC TOOLS: ENTREPRENEURS ARE BETTER EQUIPED TO MEASURE roi AND EVALUATE MARKETING EFFECTIVENESS
   Patrick R. Geho, Middle Tennessee State University
   Jennifer Dangelo, Tennessee Technological University

IMMIGRANTS AND SELF-EMPLOYMENT
   Carl A. Kogut, University of Louisiana at Monroe
   Larry E. Short, Northwestern State University of Louisiana

GEO-CODING PATTERNS OF SMALL BUSINESS OWNERSHIP IN KENTUCKY USING GIS
   Janet M. Ratliff, Morehead State University
   Michelle B. Kunz, Morehead State University
A PROFILE OF SMALL BUSINESS OWNERS IN RURAL PENNSYLVANIA AND THEIR AWARENESS OF PUBLICALLY FUNDED BUSINESS ASSISTANCE PROGRAMS ................................................................. 25
    Stephen W. Osborne, Indiana University of Pennsylvania (IUP)
    Joette M. Wisnieski, Indiana University of Pennsylvania (IUP)
    Ramesh G. Soni, Indiana University of Pennsylvania (IUP)
    Prashanth N. Bharadwaj, Indiana University of Pennsylvania (IUP)
    Eric D. Palmer, Indiana University of Pennsylvania (IUP)

SOCIAL ENTREPRENEUR DEVELOPMENT: AN INTEGRATION OF CRITICAL PEDAGOGY, THE THEORY OF PLANNED BEHAVIOR, AND THE ACS MODEL.... 27
    Leon C. Prieto, Savannah State University
    Simone T. A. Phipps, Macon State College
    Tamara L. Friedrich, Savannah State University

SMALL BUSINESS ETHICS PROGRAMS AND BUSINESS IMPACT WITH LARGE CORPORATIONS................................................................................................................... 29
    Lawrence S. Ruddell, Belhaven University

CUSTOMER SERVICE: IT DOES MATTER WHO DOES THE RATING ..................... 31
    Shawn M. Carraher, Indiana Wesleyan University
    Aaron Martin, Indiana Wesleyan University

SOCIAL ENTREPRENEURSHIP: IS IT THE RIGHT FIT? .............................................. 37
    Aaron Cecil, Indiana Wesleyan University
    Austin Doerr, Indiana Wesleyan University

SOCIAL ENTREPRENEURSHIP: REDUCING CRIME AND IMPROVING THE PERCEPTION OF POLICE PERFORMANCE WITHIN DEVELOPING COUNTRIES............................................................................................................................... 41
    K’adamawe K’Nife, University of West Indies, Mona
    Andre Haughton, University of West Indies, Mona
    Omar Lynch, University of West Indies, Mona

LEADERSHIP AMONG NASCENT ENTREPRENEURS ............................................. 43
    Collin Rhoade, Indiana Wesleyan University
    Austin Doerr, Indiana Wesleyan University
    Abigail Erickson, Indiana Wesleyan University
    Katie Wolfe, Indiana Wesleyan University
LEADERSHIP WITHIN ORGANIZATIONS ................................................................. 47
Collin Rhoade, Indiana Wesleyan University
Austin Doerr, Indiana Wesleyan University

CREATIVITY IN THE ENTREPRENEURSHIP PROGRAM: A SURVEY OF
DIRECTORS OF AWARD WINNING PROGRAMS. ............................................. 51
Jacqueline J. Schmidt, John Carroll University
John C. Soper, John Carroll University
Jill Bernaciak, John Carroll University

IMPROVING THE BUSINESS SKILLS OF THE SMALL BUSINESS OWNER
THROUGH THE EDUCATIONAL SERVICES OF A CHAMBER OF COMMERCE:
ONE CHAMBER’S STORY .................................................................................. 55
Kenneth J. Lacho, The University of New Orleans-Lakefront
Erich N. Brockmann, The University of New Orleans-Lakefront

PRIVATE COMPANY FINANCIAL REPORTING FOR SMALL AND MIDSIZE
COMPANIES ........................................................................................................ 61
Marianne L. James, California State University, Los Angeles

CONFLICTING MEASURES OF INNOVATION ACTIVITY: WHAT ELSE IS NEW? 67
Robert J. Lahm, Jr., Western Carolina University
Karen Nicholas, Western Carolina University

THE ‘BUSINESS CONCEPT’ COMPETITION AS A ‘BUSINESS PLAN’
ALTERNATIVE FOR NEW AND GROWING ENTREPRENEURSHIP PROGRAMS:
WHAT’S THE BIG IDEA? ................................................................................... 73
Robert Laud, William Paterson University
Stephen Betts, William Paterson University
Sam Basu, William Paterson University

DISCOVERING HETEROGENEITY OF ENTREPRENEURS: A COMPARISON OF
FOOD AND NON-FOOD ENTREPRENEURS ............................................... 79
Liang, Chyi-lyi (Kathleen), University of Vermont
Dunn, Paul, University of Louisiana at Monroe

THE IMPACT OF INDUSTRY CLUSTERS ON THE ECONOMY IN THE
UNITED STATES .................................................................................................... 85
Terrance Sanchez, Southern University at New Orleans
Adnan Omar, Southern University at New Orleans
TEACHING AN OLD DOG NEW TRICKS: A RESEARCH AGENDA FOR “NECESSITY” SENIOR ENTREPRENEURS .......................................................... 87
   Leslie J Vermillion The University of the District of Columbia
   Justin Peart St. Thomas University

RELATIONSHIPS BETWEEN PERSONALITY CONSTRUCTS AND ENTREPRENEURIAL INTENTIONS .............................................................. 93
   J. K. Osiri, Washington State University-Pullman
   and Institute for the Advancement of Developing Economies
   Kenneth Kungu, Tennessee State University
   Leon C. Prieto, Savannah State University

THE ROLE OF LOGOS IN BRAND AWARENESS: IMPLICATIONS FOR ENTREPRENEURS ................................................................. 95
   Tulay Girard, Penn State Altoona
   M. Meral Anitsal, Tennessee Tech University
   Ismet Anitsal, Tennessee Tech University
AN EMPIRICAL EXAMINATION OF ENTREPRENEURIAL INTENT IN THE EQUINE INDUSTRY

Arifin Angriawan, Purdue University Calumet
Susan E. Conners, Purdue University Calumet
Jonathan Furdek, Purdue University Calumet
Derek Ruth, Purdue University Calumet

ABSTRACT

In this study, we use Ajzen’s (1991) theory of planned behavior to study the formation of entrepreneurial intention among potential equine business owners. We hypothesize that attitude toward being an equine entrepreneur, subjective norm, and perceived behavioral control are positive and significant predictors of equine entrepreneurial intention. The results support the hypotheses that attitude toward the behavior, subjective norm, and perceived behavioral control are positive and significant predictors of entrepreneurial intention. The empirical results show that perceived behavioral control is the strongest predictor of entrepreneurial intention. It was followed by the attitude toward the behavior and subjective norm.

INTRODUCTION

Although there is a growing body of entrepreneurship research surrounding new and small businesses, far less is known about the antecedents of entrepreneurial behavior. Since the formation of new businesses is a critical phenomenon for the continued growth and creation of jobs in a healthy economy, academics and policy makers alike have a vested interest in understanding those factors that contribute to the formation of new businesses. Entrepreneurial intent has been identified as one of the key ingredients needed to spur entrepreneurship, a process whereby individuals make the decision to exploit opportunities and to create new ventures (Shane & Venkataraman, 2000; Palich & Bagby, 1995). Previous research has suggested that intention is the best single predictor of behavior (Ajzen, 1991, 2001; Liñán & Chen, 2009). The theory underlying this stream of research is the theory of planned behavior (Ajzen, 1991). It is a theory that is well validated in many different intent and behavior development studies, including entrepreneurship studies (Ajzen, 2001; Armitage & Conner, 2001; Liñán & Chen, 2009).

In this study, we use Ajzen’s (1991) theory of planned behavior to study the entrepreneurial intent of people involved in the equine industry of Indiana. We consider the factors that influence a person’s intent to become an equine entrepreneur. The study of entrepreneurial intent is important, because the ability of the region in which entrepreneurship takes place represents an opportunity to generate wealth, jobs, and tax revenue for the equine
industrial and the state or region as a whole. Indiana’s equine industry is a significant contributor to the state’s economy. A 2011 study of the industry’s impact estimated that it contributed more than $2 billion to state GDP (including $1.4 billion directly), $163 million in state and local taxes, and $107 million in federal taxes (Conners et al., 2011). Recently, a well-developed, cross-cultural, and robust scale for entrepreneurial intent was developed and validated (Liñán & Chen, 2009). Thus, the purpose of this paper is to apply the theory of planned behavior and recently developed scale to examine the entrepreneurial intent development in the Indiana equine industry.

THEORY AND HYPOTHESIS DEVELOPMENT

According to Ajzen (1991), a behavior is a function of intention, which represents the willingness and effort to perform the behavior, and of perceived behavioral control, which represents the ability, confidence, or availability of requisite resources and opportunities to perform a behavior. Thus, a person with a stronger intention or perceived behavioral control would be one who is more likely to perform the behavior. In fact, it has been suggested that a person’s perceived behavioral control of the outcome may be more important than the person’s actual skills (Krueger & Dickson, 1994).

Ajzen (1991) proposed the three positive predictors of intention: attitude toward the behavior, subjective norm, and perceived behavioral control. In general, the theory of planned behavior has been shown to be a significant predictor of both the intent to behave, and of behavior itself. For example, in a study of health-related behaviors, Godin & Kok (1996) found that the theory of planned behavior accounted for 41% of variance in intentions and 34% of variance in behaviors. Attitude toward the behavior refers to one’s affective and evaluative considerations about a behavior (Ajzen, 2001; Liñán & Chen, 2009). Affective consideration reflects the degree to which one likes or dislikes a behavior or the degree of pleasantness of a behavior. Evaluative consideration reflects one’s perception about a behavior in terms of its advantages or disadvantages or in terms of its harmfulness or benefits. For this study, the more positive a person’s evaluation of, or attitude toward entrepreneurship, the more likely we expect that person will engage in the act of entrepreneurship.

Subjective norm refers to a person’s perception about their important family members’ and friends’ approval or disapproval of their decision to perform a behavior. As we are interested in the process of entrepreneurship in this study, we focus here on subjective norms related to entrepreneurship. To the extent that a person’s social network is populated by people who approve of entrepreneurship as a career choice, we should expect to find that person will be more likely to engage in entrepreneurship.

Perceived behavioral control is defined as a person’s perceived ease or difficulty of performing a given behavior (Ajzen, 1991; Armitage & Conner, 2001). Put another way, an individual can be expected to engage in a given behavior when they believe that their behaviors are achievable (Bandura, 1997; Armitage & Conner, 2001). In the context of this study, the theory suggests that a person will become an equine entrepreneur because he or she has the intention and the perceived behavioral control.
Based on the discussion above we propose the research model below (see Figure 1 below) and three hypotheses:

H1: There is a positive relationship between attitude toward being an equine entrepreneur and equine entrepreneurial intention

H2: There is a positive relationship between subjective norm and equine entrepreneurial intention

H3: There is a positive relationship between perceived behavioral control and equine entrepreneurial intention

Figure 1

---

**METHODOLOGY**

**Sample**

Several approaches to gathering data from the various segments of the equine industry were carefully deliberated. With the time and resources available, it was decided that the study rely on survey instruments that were disseminated electronically through a website as the primary source of data collection. In order to encourage participation in the electronic survey, a promotional campaign was conducted through the various organizations within the state.

A brochure was developed to be disseminated in print as well as electronically. Sensitive to the possibility that some participants may not readily have access to computer technology, may be apprehensive to utilize an electronic survey, or in some cases may be unable to participate electronically, provisions were made to provide hard copy surveys as necessary. In some cases, where telephone or direct contact was made, surveys were disseminated by hard copy.
Although the survey was intended to be electronic, we saw a need for some direct contact and written survey responses. For example, the Amish community is an important contributor to the Equine industry that would not participate in an electronic survey and needed to be contacted and surveyed with a paper instrument. Others would inquire about the survey, seek instruction on how to complete the survey, or would need to be contacted to encourage completion of the survey.

As the data was gathered, respondents were tracked by IP addresses, the data was verified and corrections were made, such as correcting alphanumeric characters in numeric fields. Submissions were also screened for usable responses. The most frequent issue was an inquiry, where respondents access the survey but do not fill out any fields. A record was kept of all such instances.

The approach for this survey involved soliciting through the many horse organizations to promote the electronic survey. Typically, organizations would post links on their websites, send out e-mails, and place articles on the survey in their newsletters. The survey consisted of sending informational brochures to appropriate organizations for distribution to their members. Participants were directed to a URL to complete the electronic surveys online. In addition, from May through June, over 700 phone calls were made in addition to letters, e-mails and hard copy distribution of the survey in order to solicit responses to the survey.

Qualtrics Web-based survey software was used to conduct the electronic surveys. It allowed creation of our own surveys and the ability to conduct statistical analysis. The Qualtrics survey tool builds the database and records the completed responses as they are submitted. The data was then exported to Microsoft Excel for use in IMPLAN, EQS, and NLOGIT. In order to access the results, secure credentials are required. Both the results and login credentials are encrypted with SSL/TLS protocol. The survey software and database are hosted on separate servers. Separating the database from the survey software keeps the data neutral and independent. This gives the data its own tier which improves security and performance.

Qualtrics provides a comprehensive list of question types with content validation and survey flow. This allows for creating very complex survey logic and conditional pathways without the need for complex programming. The question types used in the survey include Multiple Choice-Single Answer, Drill Down, Dropdown List, Text Entry, Matrix Table-Text Entry and Matrix Table-Likert. Survey Flow was used in the survey to help participants answer efficiently and avoid answering non-applicable questions. Qualtrics allows users to use different methods of distributing a survey, such as Generic Link and Qualtrics Mailer. Qualtrics Mailer automatically generates an invitation by email, allowing us to distribute the survey to a panel of participants. Each participant receives an individualized link and these links can only be used once by default. However, due to limited contact information for the targeted audience, a generic URL link was generated and distributed to organizations and websites.

Several weeks following the initial brochure distribution, it was determined that additional contact was needed to encourage greater participation, specifically in the 2011 Equine Business and Owners Survey. Telephone follow-up calls were made to the horse owners who participated in last year’s survey. These people were offered a choice of completing the survey online, having a paper copy mailed to them, or answering the survey questions over the phone.
Since the phone calls were essentially follow-ups, there was no perceived bias by including this data in the database along with the electronic responses. Before the follow up phone calls, there were 889 responses. After the phone solicitation, the total number of responses increased to 904.

Of the 904 responses to this electronic survey, 319 responses were initiated but not completed, leaving 585 filtered responses to be considered in the survey. When scrutinized, 13 of the completed survey responses were deleted as they referred to operations outside of Indiana. This left 572 usable responses to the survey.

The number of incomplete responses in these surveys suggests that respondents were not prepared to provide detailed information and may have returned later with the information, or they found the amount of information intimidating and declined to participate, while others were simply curious.

Constructs used in this study

Four constructs were used in this study. They were attitude toward the behavior, subjective norm, perceived behavioral control, and entrepreneurial intention. There were fifteen items used to measure the four constructs. Item were modified from previous study (Liñán & Chen, 2009). All items were measured using a five point Likert scale where 5 stands for strongly agree and 1 stands for strongly disagree.

Items used to measure the attitude toward the behavior were (1) Being a business owner implies more advantages than disadvantages to me, (2) If I had the opportunity and resources, I would like to start my own business, (3) Being a business owner would entail great satisfaction for me, (4) Among various options, I would rather be an a business owner.

Items used to measure social norm were (1) If you decided to create a horse related business, would people in your close environment approve: your close family; (2) If you decided to create a horse related business, would people in your close environment approve: your friends, (3) If you decided to create a horse related business, would people in your close environment approve: your colleagues.

Items used to measure perceived behavioral control were (1) To start an equine business and keep it working would be easy for me, (2) I can control the creation process of a new business, and (3) I know how to start a new equine business.

Items used to measure entrepreneurial intent were (1) I am ready to do anything to be an equine business owner, (2) My professional goal is to become an equine business owner, (3) I will make every effort to start and run my own equine business, (4) I am determined to create an equine business in the future, and (5) I have very seriously thought of starting an equine business.

ANALYSIS

We used multiple regression technique to analyze the data. First of all, we checked whether the data met the assumptions of the multiple regression analysis. The SPSS results show
that the data did not violate the assumptions of homoscedasticity, linearity, independence of errors, or multicollinearity.

Residual plots show that the data did not violate assumptions of linearity and homoscedasticity. The assumption of independence of errors was met as well. Durbin-Watson statistic was 2.078 (Field, 2005). He suggests that data with Durbin-Watson statistic which is between 1 and 3 or close to 2 should not violate the assumption of independent of errors. The variance inflation indexes were between 1.471 and 1.648. Tolerance statistics were between .601 and 0.680. None of the variance inflation factors exceeded 10. All tolerance indexes were above 0.2. Thus, multicollinearity was not an issue.

Table 1 shows the means, standard deviations, and correlations of all variables. Table 2 shows the regression results. In Table 2, the dependent variable was regressed on all independent variables. Column 2 of Table 2 shows that all standardized regression coefficients were positive and significant. This gives support to all hypotheses. The results support the hypotheses that attitude toward the behavior, subjective norm, and perceived behavioral control are positive and significant predictors of entrepreneurial intention.

**DISCUSSION**

The focus of this study is to apply the theory of planned behavior and entrepreneurial intent scale in the equine industry. We hypothesized that the attitude toward the behavior, subjective norm, and perceived behavioral control are significant and positive predictors of equine entrepreneurial intention. The empirical results provide strong evidence for all hypotheses.

Table 1 shows the means of all variables. We see that in general the intention to become an entrepreneur is low, and is lower than the other three measures used in the study. The mean for entrepreneurial intent was 2.6. The Table also shows that perceived behavioral control among
the respondents was low. The mean was 2.88. The Table shows that the respondents and their significant others have positive attitude toward being entrepreneurs. Respectively, the means for the attitude toward the behavior and subjective norm are 3.61 and 3.35.

Table 2 shows that perceived behavioral control is the strongest predictor of entrepreneurial intention. It was followed by and attitude toward the behavior and subjective norm. The multiple R and adjusted $R^2$ are very high. The adjusted $R^2$ was .589, meaning that 58.9% of variance was explained by the three predictors. Taking these two sets of results together, it suggests that attitudes, behavioral norms, and perceived behavioral control over the process do influence entrepreneurial intent. From a policy standpoint, it would then seem fruitful to explore if any of these three antecedents of entrepreneurial behavior can be influenced by changes in policy. For example, making resources and training more available to those considering entrepreneurship as a career may help to spur people to action in starting their own business.

Overall, we conclude that the theory of planned behavior provides a good model to predict the entrepreneurial intention. We also conclude that the intention to become an equine entrepreneur was low due to the low perceived behavioral control and regardless of quite positive attitudes toward the behavior by the respondents.

Ajzen’s (1991) description of perceived behavioral control includes both perceived controllability and self-efficacy. The items used to measure perceived behavioral control in this study also reflects both perceived controllability and self-efficacy. Thus, in this study we do not have the evidence to suggest whether perceived controllability or self-efficacy is lacking among the respondents. Further study of perceived behavioral control is very important, because the theory of planned behavior suggests that it is both a direct and indirect (i.e. through entrepreneurial intention) predictor of the behavior to become an entrepreneur.

Bandura (1977) defines self-efficacy as the degree of anticipated difficulty in performing a behavior, not perceived controllability. Based on several studies’ results, Ajzen (2001) observed that self-efficacy (Bandura, 1977) might be a better predictor than perceived behavior control.

**LIMITATIONS AND FUTURE RESEARCH**

The focus of this study is on entrepreneurial intent. Even though entrepreneurial intent is theoretically supposed to be the most important predictor of the decision to be entrepreneurs, researchers in the future might want to examine the full model of the theory of planned behavior. Thus, future researchers might want to study how ultimately entrepreneurial intent and perceived behavioral control impact the behavior of becoming an entrepreneur.

Also, researchers in the future might need to examine the different impacts of perceived controllability and self-efficacy on entrepreneurial intention. Empirical data collected from equine industry shows that the mean of the perceived behavioral control was low and it was the most important predictor of entrepreneurial intention.

A significant limitation of this study is that it was confined to a single industry in a single state, thus limiting our ability to generalize beyond the context of the survey setting.
Researchers in the future might want to study the impacts of self-identity and past behavior. Previous researchers have observed that self-identity and past behavior can impact on intention and behavior development (Conner & Armitage, 1998). From both a research and a policy standpoint, it might be worthwhile to explore whether any of the predictors of entrepreneurial behavior considered in this study can be influenced by training or changes in government policy designed to promote or facilitate entrepreneurship.

REFERENCES


INDIVIDUAL ENTREPRENEURIAL ORIENTATION: FURTHER INVESTIGATION

Dawn Langkamp Bolton, Western Kentucky University

ABSTRACT

Bolton and Lane (in press) recently proposed, developed, and validated a measure of individual entrepreneurial orientation (IEO) using a student sample. Their recommendations for future research included testing the instrument with non-student samples. In keeping with Hubbard, Vetter, & Little’s (1998) call for publishing of replications with extensions in business research, a sample of 340 entrepreneurs in Western Kentucky was used to further validate the IEO. The ten items on the IEO measuring the dimensions of Innovativeness, Risk-taking, and Proactiveness loaded as separate factors as in the original study, with the exception of one item (for Innovativeness) which loaded on two factors (Innovativeness and Risk-taking). Cronbach alphas computed for the three factors from the sample of entrepreneurs were all above 0.765, further verifying the internal consistency of the IEO. External validity was verified with correlations and t-tests for the IEO with self-reported performance measures by the entrepreneurs. This investigation of the IEO further demonstrates that it is a reliable and valid measure of entrepreneurial orientation at the individual level. A better understanding of entrepreneurial orientation at the individual level could be valuable to potential investors and to those determining business resource allocations.
A STUDY OF VETERAN-OWNED SMALL BUSINESSES AND THE IMPACT OF MILITARY RESERVE CALL-UPS SINCE 9/11

Martin S. Bressler, Southeastern Oklahoma State University
Linda A. Bressler, University of Houston-Downtown
Mark Bressler, Bressler & Bressler Consulting Group

ABSTRACT

Many business experts consider small businesses to be the engine that drives the economy. According to the U.S. Small Business Administration, small businesses account for 99.7% of all businesses, and employ almost half of all American workers. Small business continues to dominate the U.S. economy in terms of employment and new job growth. The U.S. Small Business Administration reports that companies with 500 or less employees accounted for all net new job growth in the most recent reporting year of 2004. These small firms employ slightly less than half the U.S. workforce and account for just over half of gross domestic product (U.S. Census Bureau, 2007). In other words, for the U.S. economy to do well, small businesses must succeed. Veterans account for approximately 13% of all small business owners, yet at the same time, veteran unemployment levels range from 30.4% for young veterans aged 18-24 to 48% for black veterans in that same age group, and 12.1% for veterans overall (BusinessWeek, November 11). Because of the impact of veteran-owned businesses on the economy, the authors chose to conduct a study of small business owners, specifically veteran-owned businesses, to examine their overall business health and in addition, to measure the impact of military reserve call-ups on small businesses since 9/11. Approximately 400 small business owners returned the survey questionnaire, and the researchers present their findings in this paper.
ENTREPRENEURSHIP WITH SOCIAL VALUE:  
A CONCEPTUAL MODEL FOR PERFORMANCE MEASUREMENT

Cheryl Clark, Georgia Gwinnett College  
Linda Brennan, Mercer University

ABSTRACT

Social entrepreneurship, ventures with a self-sustaining business model and a social impact objective, is a trend gaining momentum and garnering attention for the “citizen sector.” How is the social impact measured? How might it be measured? Based on a multi-disciplinary literature review and an examination of current practice, this research attempts to address these questions. A performance measurement framework is proposed and illustrated by archetypes of common social ventures.

Keywords: social entrepreneurship; performance measurement; citizen sector; social value; social value; outcome assessment; balanced scorecard

---

1 From the Ashoka.org website: “Why ‘Citizen Sector’? … Words matter – and being defined by what we are not [i.e., non-governmental, nonprofit] certainly does not help. Instead we use ‘citizen sector’ and ‘citizen organization’… because citizens – people who care and take action to serve others and cause needed change are the essence of the sector.”
SOCIAL MEDIA ANALYTIC TOOLS: ENTREPRENEURS ARE BETTER EQUIPED TO MEASURE ROI AND EVALUATE MARKETING EFFECTIVENESS.

Patrick R. Geho, Middle Tennessee State University
Jennifer Dangelo, Tennessee Technological University

ABSTRACT

The number one deterrent of social media for small business has always been the time commitment required to keep profiles active and the almost impossible task of calculating the return on investment (ROI). New advances in the social media scene like Hootsuite, a social media dashboard and scheduler which allows you to schedule and post content to all of your online profiles simultaneously and Facebook Pages Insights, which allows you to track the number of visitors to your Facebook Business Page, are helping to close the gap between big brand experts at leveraging social media like Coke and Apple and your average mom and pop business.

Social media marketing campaigns can be tracked more efficiently today, but what methods should the entrepreneur use and how is one to decipher all that data? Traditional business ROI calculations are based upon the benefit or return of an investment divided by the cost of the investment (including employee time). It is not that straight forward when calculating ROI from a social media marketing campaign. A more sophisticated approach is needed. This study was conducted to review the analytics tools and methods used to calculate ROI when businesses use social media in their marketing campaigns.
IMMIGRANTS AND SELF-EMPLOYMENT

Carl A. Kogut, University of Louisiana at Monroe
Larry E. Short, Northwestern State University of Louisiana

ABSTRACT

This article addresses essentially two questions concerning immigrants and self-employment. First, are immigrants more or less likely than their native-born counterparts to become self-employed? Second, do self-employed immigrants earn at least as much as U.S. born self-employed workers? Using data from the 2011 March Supplement of the Current Population Survey the results show that immigrants are more likely to become self-employed and that their earnings are at least as much as U.S. born workers.

INTRODUCTION

The U.S. is a nation of immigrants. People choose to immigrate to the U.S. for many different reasons and one of those reasons is undoubtedly to chase the “American Dream.” One way Americans have chased that dream is to become self-employed by owning their own business and being their own boss. If it is true that immigrants come to the U.S. to chase the American Dream, then wouldn’t we expect to see at least the same percentage of immigrants become self-employed compared to those that are native born? In many countries, immigrants form the low-priced labor pool for the nation. Is that true in the U.S. or do our immigrants achieve comparability with native citizens in terms of income? How do immigrants do in terms of earnings? Are they hampered by being immigrants or are they able to overcome any obstacles that exist and earn at least as much as natives? In this paper we will examine the employment and earnings of immigrants to determine if they are more likely to become self-employed than native born Americans and how their average income level compares to the native born population.

BACKGROUND

Since the 1980’s researchers have been interested in the self-employment of immigrants. A good review of early literature estimating the economic return to self-employment is in “Self-Employment and the Earnings of Immigrants” by Alejandro Portes and Min Zhou. (1996) They showed that self-employed immigrants earned sometimes more and sometimes less than wage/salary workers and conclude that the results are pre-determined by the specification of the model used.

Frank van Tubergen (2005) in “Self-Employment of Immigrants: A Cross-National Study of 17 Western Societies” examined the differences in self-employment rates across immigrants from different origins and destinations. One conclusion he made is that immigrants
are more likely to be self-employed when it is more difficult to enter the labor market due to discrimination.

In “Hispanic Immigrant Entrepreneurs in the Las Vegas Metropolitan Area: Motivations for Entry into and Outcomes of Self-Employment” Rachel Shinnar and Cheri Young (2008) determined that, at least in the Las Vegas area, “pull factors” are more important in determining whether individuals decide to become self-employed. Those factors include “the possibility of higher earnings, enhanced professional standing, a greater sense of independence and a flexible schedule to accommodate family needs.” (p. 244) They also identify an ethnic enclave as a significant pull factor for minority ownership meaning that a larger minority population in a metropolitan area such as Las Vegas would lead to an increased number of entrepreneurs in that area.


**PURPOSE OF STUDY**

The purpose of this study is to determine if immigrants are more or less likely to become self-employed compared to native born workers and to compare immigrants’ earnings to their native-born counterparts.

**METHODOLOGY**

The analysis uses the Current Population Survey March 2011 Supplement. The sample is limited to those employed full time (at least 35 hours per week), 17 years of age and older, and divided into subsets based on immigrant or native-born status and whether the individual was self-employed or was a wage/salary worker.

<table>
<thead>
<tr>
<th>Table 1: Sample Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Self-employed</strong></td>
</tr>
<tr>
<td>Immigrants</td>
</tr>
<tr>
<td>Native-Born</td>
</tr>
<tr>
<td><strong>Wage/Salary</strong></td>
</tr>
<tr>
<td>Immigrants</td>
</tr>
<tr>
<td>Native-Born</td>
</tr>
<tr>
<td><strong>Age</strong></td>
</tr>
<tr>
<td>17-25</td>
</tr>
<tr>
<td>2.1%</td>
</tr>
<tr>
<td>2.2%</td>
</tr>
<tr>
<td>7.7%</td>
</tr>
<tr>
<td>9.2%</td>
</tr>
<tr>
<td>26-45</td>
</tr>
<tr>
<td>47.2</td>
</tr>
<tr>
<td>38.8</td>
</tr>
<tr>
<td>55.5</td>
</tr>
<tr>
<td>49.6</td>
</tr>
<tr>
<td>46-65</td>
</tr>
<tr>
<td>46.3</td>
</tr>
<tr>
<td>52.6</td>
</tr>
<tr>
<td>34.8</td>
</tr>
<tr>
<td>39.0</td>
</tr>
<tr>
<td>66+</td>
</tr>
<tr>
<td>4.5</td>
</tr>
<tr>
<td>6.5</td>
</tr>
<tr>
<td>2.0</td>
</tr>
<tr>
<td>2.2</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
</tr>
<tr>
<td>Males</td>
</tr>
<tr>
<td>70.5</td>
</tr>
<tr>
<td>70.8%</td>
</tr>
<tr>
<td>59.3%</td>
</tr>
<tr>
<td>53.2%</td>
</tr>
<tr>
<td><strong>Race</strong></td>
</tr>
<tr>
<td>White</td>
</tr>
<tr>
<td>63.6%</td>
</tr>
<tr>
<td>90.6%</td>
</tr>
<tr>
<td>63.0%</td>
</tr>
<tr>
<td>83.1%</td>
</tr>
<tr>
<td>Black</td>
</tr>
<tr>
<td>6.9</td>
</tr>
<tr>
<td>5.1</td>
</tr>
<tr>
<td>8.9</td>
</tr>
<tr>
<td>11.3</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>29.5</td>
</tr>
<tr>
<td>4.3</td>
</tr>
<tr>
<td>28.1</td>
</tr>
<tr>
<td>5.6</td>
</tr>
<tr>
<td><strong>Education</strong></td>
</tr>
<tr>
<td>Less than High School</td>
</tr>
<tr>
<td>19.6%</td>
</tr>
<tr>
<td>4.7%</td>
</tr>
<tr>
<td>25.9%</td>
</tr>
<tr>
<td>4.2%</td>
</tr>
<tr>
<td>High School Graduate</td>
</tr>
<tr>
<td>28.4</td>
</tr>
<tr>
<td>26.2</td>
</tr>
<tr>
<td>25.9</td>
</tr>
<tr>
<td>28.0</td>
</tr>
</tbody>
</table>
As can be seen in Table 1, there are many characteristics across the groups that are similar. Some differences, however, do stand out. When comparing immigrants and native-born self-employed, there is a higher portion of white native-born self-employed (90.6%) than immigrant self-employed (63.6%). Also immigrant self-employed appear to be less educated (48% with high school or less) than native-born self-employed (30.9% with high school or less). When comparing immigrant self-employed with immigrant wage/salary employees, the self-employed immigrants appear to be slightly older (50.8% age 46+) than the immigrant wage/salary employees (36.8% age 46+); more likely to be male (70.5% immigrant self-employed vs. 59.3% immigrant wage/salary employee); and more likely to be married (78.9% immigrant self-employed vs. 67.4% immigrant wage/salary employee).

**FINDINGS**

The percentage of immigrants who are self-employed is slightly higher (at 9.7%) than the percentage of native-born workers who are self-employed (at 9.2%). To determine if that difference suggests that immigrants are more likely to become self-employed, a Probit analysis was conducted. The probit analysis essentially lets us estimate the marginal impact of specific characteristics on the decision to become self-employed. Thus, the following equation was estimated and the results are presented in Table 2:

\[
\text{Self-employed} = a + b_1 \text{Age} + b_2 \text{Education} + b_3 \text{Married} + b_4 \text{Female} + b_5 \text{Black} + b_6 \text{Other Race} + b_7 \text{Immigrant} + \epsilon
\]

where:

- Age = age in years
- Education = years of education
- Self-employed = 1 if self-employed, 0 if wage/salary worker
- Married = 1 if married, 0 otherwise
- Female = 1 if female, 0 if male
- Black = 1 if black, 0 otherwise
- Other Race = 1 if race other than white or black, 0 otherwise
- Immigrant = 1 if immigrant, 0 if native born
The positive sign on the Age, Education and Married coefficients show that the probability of becoming self-employed compared to native-born, single, white males increases with age and education and is higher for those who are married. However, the negative sign associated with the coefficients on Female, Black and Other Race indicates that females, blacks and other races are less likely to become self-employed. Finally, and most importantly for the purpose of this study, is the positive coefficient associated with Immigrant. This result indicates that it is statistically more likely for an immigrant to become self-employed when compared to native-born counterparts.

The second question to address is whether the earnings of immigrants or the self-employed are higher than for their native-born counterparts. A reason, although certainly not the only reason, individuals may choose to immigrate to the U.S. or to become self-employed is the expectation of higher earnings. Clearly there are risks involved in moving to a new country and there are certainly risks involved in choosing to become self-employed. Given those risks then, we would expect that there is a positive return to earnings to compensate individuals for bearing that risk. To address that question the following equation was estimated and the results are presented in Table 3:

\[
\text{Earnings} = a + b_1 \text{Age} + b_2 \text{Age}^2 + b_3 \text{Education} + b_4 \text{Married} + b_5 \text{Female} + b_6 \text{Black} + b_7 \text{Other Race} + b_8 \text{Self-employed} + b_9 \text{Immigrant} + \epsilon
\]

<table>
<thead>
<tr>
<th>Table 2: Estimating the Likelihood of Becoming Self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Intercept</td>
</tr>
<tr>
<td>Age</td>
</tr>
<tr>
<td>Education</td>
</tr>
<tr>
<td>Married</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Black</td>
</tr>
<tr>
<td>Other Race</td>
</tr>
<tr>
<td>Immigrant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 3: Regression Results of Earnings Estimates for Immigrants and Self-employed workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Intercept</td>
</tr>
<tr>
<td>Age</td>
</tr>
<tr>
<td>Age(^2)</td>
</tr>
<tr>
<td>Education</td>
</tr>
<tr>
<td>Married</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Black</td>
</tr>
<tr>
<td>Other Race</td>
</tr>
<tr>
<td>Self-employed</td>
</tr>
<tr>
<td>Immigrant</td>
</tr>
</tbody>
</table>
Many of the estimated regression coefficients presented in Table 3 are as we would expect. The typical age-earnings profile is confirmed with the positive coefficient on Age and the negative coefficient associated with Age squared. Additional education is associated with increased earnings, as is being married. Also, as is usually the case, earnings for females, blacks and other races are less, on average, than the earnings of white males. Of particular interest to this study are the results that show that earnings for those who are self-employed are significantly higher than their wage/salary counterparts while earnings for immigrants are only slightly more, and that difference is not statistically significant. Thus, we have to conclude that becoming self-employed does have a positive impact on earnings and that on average immigrants do as well as native born workers. Although there is no premium in earnings for being an immigrant, being an immigrant does not negatively impact earnings either.

In order to directly test whether self-employed immigrants earn more than those immigrants who are wage/salary workers, the following equation was estimated using the data for immigrants only and the results are reported in Table 4:

\[
\text{Earnings} = a + b_1 \text{Age} + b_2 \text{Age}^2 + b_3 \text{Education} + b_4 \text{Married} + b_5 \text{Female} + b_6 \text{Black} + b_7 \text{Other race} + b_8 \text{Self-employed} + \epsilon
\]

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimate</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-206,592</td>
<td>&lt;0.0001</td>
</tr>
<tr>
<td>Age</td>
<td>2073.97</td>
<td>&lt;0.0001</td>
</tr>
<tr>
<td>Age$^2$</td>
<td>-19.10</td>
<td>&lt;0.0001</td>
</tr>
<tr>
<td>Education</td>
<td>5,064.86</td>
<td>&lt;0.0001</td>
</tr>
<tr>
<td>Married</td>
<td>7,100.76</td>
<td>&lt;0.0001</td>
</tr>
<tr>
<td>Female</td>
<td>-14202</td>
<td>&lt;0.0001</td>
</tr>
<tr>
<td>Black</td>
<td>-4,294.80</td>
<td>0.0114</td>
</tr>
<tr>
<td>Other Race</td>
<td>672.36</td>
<td>0.5448</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>3,716.96</td>
<td>0.0189</td>
</tr>
</tbody>
</table>

The base group in this regression is single white immigrant males who are wage/salary earners. The results are very similar to the previous regression, except that being of another race doesn’t impact earnings. That shouldn’t be surprising since many (most?) immigrants are not white. Interestingly, immigrants who are self-employed earn significantly more than those immigrants who are wage/salary earners.

**CONCLUSIONS**

This research indicates that immigrants are more likely to become self-employed than their native-born counterparts are for apparently two reasons. First, being self-employed has a positive impact on earnings. Second, although in general immigrants earn the same as native-born individuals, they can get ahead of the rest by becoming self-employed. Thus, in order to
truly capture the American dream, not only should individuals move to the U.S., they should also seek to become self-employed.

REFERENCES


GEO-CODING PATTERNS OF SMALL BUSINESS OWNERSHIP IN KENTUCKY USING GIS

Janet M. Ratliff, Morehead State University
Michelle B. Kunz, Morehead State University

ABSTRACT

This study employs the use of Geographic Information Systems (GIS) to examine the geospatial patterns of small business ownership in Kentucky. Data were obtained from the Small Business Administration Dynamic Small Business Search for self-reported small business addresses for the state of Kentucky. Data was also obtained for the small businesses registered as women-owned. Using the geo-coding operation in ArcMap software, individual addresses for each business location were mapped. Patterns of concentration were found in larger metropolitan areas, as well as differences between male-owned and woman-owned businesses across the state. Additional exploration found variance in the location patterns based upon Area Development District locations. The study concludes with discussion of possible population, income, and socio-economic theories for the identified results, as well as possible analyses for future research.
A PROFILE OF SMALL BUSINESS OWNERS IN RURAL PENNSYLVANIA AND THEIR AWARENESS OF PUBLICLY FUNDED BUSINESS ASSISTANCE PROGRAMS

Stephen W. Osborne, Indiana University of Pennsylvania (IUP)  
Joette M. Wisnieski, Indiana University of Pennsylvania (IUP)  
Ramesh G. Soni, Indiana University of Pennsylvania (IUP)  
Prashanth N. Bharadwaj, Indiana University of Pennsylvania (IUP)  
Eric D. Palmer, Indiana University of Pennsylvania (IUP)

ABSTRACT

Small businesses represent 90% of all businesses and employ two-thirds of the population in rural communities of the United States (Velázquez, 2006). In Pennsylvania, small businesses play an even greater role, with 98% of all Pennsylvania businesses employing fewer than 100 workers, according to the Pennsylvania Department of Labor and Industry. These small businesses also represent the main source of entrepreneurial activity and employment growth in most rural communities. It is important to recognize that it is not the businesses themselves, but the entrepreneurs and small business owners who are the lifeblood of Pennsylvania’s rural small businesses. An understanding of who rural Pennsylvania’s typical small business owners are is an important step in assessing their needs and delivering business assistance services.

A second topic of significant research pertains to the assessment of publicly funded financing and technical assistance programs (Goetz, Partridge, Deller & Fleming, 2010). A recent study by Forbes (2010) found that those organizations that take advantage of outside advice—whether professional or informal—have been more successful and experienced stronger turnover than their counterparts. The question of whether government has a role in stimulating entrepreneurship and, if so, how to evaluate whether policy makes a difference in rural small businesses is an important one (Atkinson, 2004; Forbes, 2010).

A stratified sample of 5000 rural PA businesses was created and administered through a direct mail survey.

Important results included that awareness of service providers is higher among manufacturing companies, firms with more than 20 employees, older than 5 years and firms that have growth plans in the next three years than compared to their peers.
SOCIAL ENTREPRENEUR DEVELOPMENT:
AN INTEGRATION OF CRITICAL PEDAGOGY, THE
THEORY OF PLANNED BEHAVIOR, AND THE ACS
MODEL

Leon C. Prieto, Savannah State University
Simone T. A. Phipps, Macon State College
Tamara L. Friedrich, Savannah State University

ABSTRACT

It is essential to identify and develop social entrepreneurs in order to solve some of the complex problems facing various communities. In this article, the authors draw on the works of Paulo Friere, as well as The Center for Leadership Development’s Assess, Challenge, Support (ACS) model and the Theory of Planned Behavior (TPB), to serve as a blueprint for Social Entrepreneur Development (SED). The authors assessed the social entrepreneurial intentions scores of African-American and Hispanic college students and found that they possess low intentions to become social entrepreneurs. The Theory of Planned Behavior, the ACS model, and critical pedagogy serve as a guide to develop tomorrow’s agents of change and to increase their intentions to become social entrepreneurs.
SMALL BUSINESS ETHICS PROGRAMS AND BUSINESS IMPACT WITH LARGE CORPORATIONS

Lawrence S. Ruddell, Belhaven University

ABSTRACT

The Federal Sentencing Guidelines for Organizations (FSGO, 2006) has been seen as a standard for establishing elements (seven) that are important in limiting judicial risk. Other research (Johnson, 2005) has confirmed that four of these elements also seem to indicate whether or not a company has a strong ethics program and seems to have an impact on how well the company does in managing financial loss based on illegal behavior. It is becoming more apparent (GHBER) that large corporations are responsible for the ethical behavior of vendors. Thus, they are requiring SMEs to indicate implementation of an ethics program.

This paper examines the FSGO and explores how four of the elements from the FSGO are applied in small businesses in a large mid-western city and its ramifications for obtaining work from large corporations.

REFERENCES


CUSTOMER SERVICE: IT DOES MATTER WHO DOES THE RATING

Shawn M. Carraher, Indiana Wesleyan University
Aaron Martin, Indiana Wesleyan University

ABSTRACT

We examine the importance of customer service and its measurement using data from 177 entrepreneurs in eastern Europe. Because “businesses, large or small, industrial or retail, new or established, can't survive without customers.” And having good customer service is essential for small businesses in gaining those customers. Also discussed will be the need for small businesses to create life-time customers opposed to one-time customers. No matter how trendy, efficient, or useful your product or service is, you will go nowhere if your customers are not satisfied. There are significant differences in results based upon who is doing the ratings.

METHOD

The data for this study is drawn from 177 Eastern European food entrepreneurs. The sample consisted of 57.1% males and 42.9% females. Their average age was 32 (SD = 20.54). The primary instrument utilized was the customer service selection instrument developed by McBride (1988, 1997; McBride, Mendoza, & Carraher, 1997) as modified by Carraher and associates (1998), with the modifications having been recommended by McBride et al. (1997). Results of the principal components analyses supported the five dimensional solutions for this sample. Due to problems with the use of coefficient alpha reliability estimates (Sethi & Carraher, 1993), limited information factor analysis as suggested by Schoenfeldt and Mendoza (1994) was employed before calculating alphas. These ranged from .74 (openness to experience) to .86 (extraversion). Carraher and associates (2002) found the six-month, test-retest reliability estimates to range from .73 (openness to experience) to .84 (extraversion). In addition to demographic items, many of the questions contained in the inventory consisted of experiential, attitudinal, and behaviorally-based items (e.g. “When you were a member of a small group, how much do you participate? How comfortable are you in new places and situations?”). A five-point Likert scale was utilized. Performance was measured on the job. Three trained raters evaluated the performance of each respondent in order to allow a comparison in the ratings. Each of the raters had graduate training in psychology and assessments and received additional training in order to accurately and consistently identify differing levels of service-oriented performance. Additionally individuals were asked to rate their own levels of customer service, their customers were asked to rate them, and their competitors were asked to rate them. As can be seen in Tables 1, 2, 3, 4, and 5 not only are there varying amounts of variance explained by the personality variables the various “measures” of customer service were not surrogates for one another. In order for them to serve as true surrogates, requires that the correlations be .9 or above. The
closest to this level is the correlation between the ratings by the professionals and the ratings by
the competition however the variables seen as being influential did not agree with one another.
Future research and discussion

Future research will help truly reveal the most important characteristics for businesses to
focus on when trying to have good customer service. There are four main ways that small
businesses can outshine their competition when it comes to good customer service. The first way
that small businesses can differentiate themselves is “determine what makes (the) offer special.”
This will include research of the small business’s competition and what they are doing in regards
to customer service. Then that small business owner needs to take a look at what he or she is
doing, and determine how they can provide better customer service. This could involve
improving what the business is already doing, coming up with new ideas, or just simply going
above and beyond what is expected by the customer.

Determining how to have better customer service than competition could also mean
making a list ideas, which leads to the second way small businesses can create a competitive
advantage which is to “study the customer service ideas on (their) list and examine their
feasibility.” This could also tie in to only making promises when it is known that they can be
kept. If there is an idea to improve customer service, but the small business owner or workers are
not sure whether or not it can always be guaranteed, it should be dropped from consideration. If
a small business truly wants to differentiate itself from the competition, their guarantees must
follow through one-hundred percent of the time.

Once a small business tests the feasibility of its different ideas, the owner must “choose
one or two of your shiny customer service ideas and implement them.” Implementing them can
mean more than just doing them. Small businesses owners need to make these “shiny ideas”
known to their workers, and especially known to their customers. This can be done by putting the
customer service guarantees on ads, catalogues, up in the store, or simply letting customers know
when they enter the business. And it is also important to just choose one or two and do them very
well. It is hard to have numerous ideas and implement them all effectively. Small businesses
need to simply choose one or two and implement those customer service ideas perfectly.

The fourth and last thing that small businesses can do to differentiate themselves from
competition is “stay proactive and keep gathering customer service ideas.” Customers’ tastes
and preferences can and will change with the times, so small business owners and their workers
must stay on top of this. Customer service techniques cannot be stagnant, because life is not
stagnant. In order for a business to successfully differentiate itself though customer service, it
must be innovative in the ideas and techniques to create good customer service. Following these
four things can help any small business differentiate itself from the competition through good
customer service.

The different channels and forms of communication and interaction that good customer
service can be utilized through will now be focused on. Recently “there has been growth in
customer contact services, that is, personal communication channels such as face-to-face, mail,
phone and the web that impact on the way a customer may interact with a business.” This
growth of different points of contact can help give small businesses more opportunities to be
proactive in their interactions and responsiveness to customers. But they must also realize that
“technological service provision cannot substitute for personnel who listen, empathize, reassure, solve problems and meet individual customer requests.” Next, some of the actually channels that good customer service can be utilized will be looked at.

The most obvious channel of customer service is face-to-face, in the store contact. This is the most frequent place that the opportunity arises to have good customer service. This involves the owner or workers of a small business actually interacting with customers to help meet needs or solve issues. Another channel of customer service which is being used less and less frequently is mailing. This can be used to send out customer response surveys, or simply give out thanks for recent purchases or heads up on special deals. The next form of customer service discussed will be the communication channel of the phone. This is a part of customer service that can have some serious negative value to customers if not done right. Customers do not want to talk to a robot, they want a human. Small businesses need to actually have helpful workers that can answer the phone and answer questions or complaints as needed.

The last form and channel that customer service can be used through is over the web. This can consist of a few things. One is email, where customers can email a company with a question or complaint, and they can respond quickly and informatively. And a huge area of focus for customer service in recent years would be social media. Facebook and Twitter can be huge opportunities for small businesses to differentiate themselves. They can connect with customers directly through the website, and answer questions or resolve issues as needed. These types of websites have become more and more popular in recent years, and need to be utilized by small businesses as a source to have good customer service. There are not many small businesses that use social media either, so it can also be a significant way for business to differentiate themselves in the market. Future research should continue to explain differences in the sources of data and allow us to better understand the customer orientation construct.

REFERENCES


SOCIAL ENTREPRENEURSHIP:
IS IT THE RIGHT FIT?

Aaron Cecil, Indiana Wesleyan University
Austin Doerr, Indiana Wesleyan University

ABSTRACT

In the current paper we determine the personality factors that affects the success of a Christian expatriate social entrepreneurship ventures and determine what areas of entrepreneurship certain traits influence. We assess expatriate entrepreneurs based on these factors to determine if further training is needed or if social entrepreneurship is a good fit for them.

REFERENCES


SOCIAL ENTREPRENEURSHIP:
REDUCING CRIME AND IMPROVING THE
PERCEPTION OF POLICE PERFORMANCE WITHIN
DEVELOPING COUNTRIES

K’adamawe K’nlfe, University of West Indies, Mona
Andre Haughton, University of West Indies, Mona
Omar Lynch, University of West Indies, Mona

ABSTRACT

Several strategies and have been attempted in resolving the escalating crime problem in developing countries. The traditional ‘Use of Force’ approach has been found ineffective while the newer approach of improving ‘Citizen’s Security’ is questioned as to its sustainability. This research uses a mixed methodology approach of regression analysis and focus group session, to examine the factors that impact the stakeholder’s perception of police performance within developing countries. The police are considered to be a key stakeholder, yet is the least trusted. Data is retrieve from a Community Policing Survey amongst a total of 3000 adults island-wide (Jamaica), using a nationally representative sample. The results show that interaction with citizens, ability to control crime; trust, confidence and fear are significant in explaining the perception of police performance. These elements are also critical in bolstering and sustaining social inclusive partnerships and strategies. The discussion reveals that Social entrepreneurship and social enterprises is one of the most appropriate vehicles to build and deliver sustainable social inclusive strategies; while improving the perception of performance of all stakeholders, including the police. The paper contributes to the scholarship on Social Entrepreneurship and Community Safety and Security as these are interconnecting if the objective is to be achieved and sustained. It provides useful insights for the police force, policy makers, international funding agencies, NGOs and community groups and members.

Keywords: Social Entrepreneurship, crime prevention, citizen security, social inclusion, policing strategies
LEADERSHIP AMONG NASCENT ENTREPRENEURS

Collin Rhoade, Indiana Wesleyan University
Austin Doerr, Indiana Wesleyan University
Abigail Erickson, Indiana Wesleyan University
Katie Wolfe, Indiana Wesleyan University

ABSTRACT

At present, leadership within entrepreneurship is an increasingly popular topic of discussion among large corporations, small businesses, and business analysts. Although many psychological correlations between personality and leadership style have been made, continued study in this area allows for more complete understanding of the causes and effects of leadership. The purpose of this study is to identify whether a correlation exists between motivational needs of young entrepreneurs, based on scores on the Manifest Needs Questionnaire (Steer and Braumstein, 1976) and leadership styles, based on scores on Fiedler’s Least Preferred Co-worker (LPC) Scale test (Fiedler 1967). Correlation results affirmed that both the manifest needs for achievement and for affiliation are significantly correlated to the Least Preferred Co-worker Scale. In addition, our data supported that the manifest need for power was extremely correlated to the need for achievement. The results of this study allow employees, managers, and other entrepreneurs to better understand how personality will affect an entrepreneur’s leadership style. An organization’s climate, day-to-day operations, and the expectations of employees will all be affected by this correlation discovered in this study. Future research on this topic includes using other leadership assessments, as well as expanding this study to a broader pool of subjects or non-entrepreneurial subjects.

REFERENCES


LEADERSHIP WITHIN ORGANIZATIONS

Collin Rhoade, Indiana Wesleyan University
Austin Doerr, Indiana Wesleyan University

ABSTRACT

The culture of an organization is the primary factor that determines how easy or difficult it is for intrapreneurial efforts to succeed or fail in a business. Executives within a company typically set the tone of the culture that is present within that business. These are also the men and women that have the greatest opportunity to change or influence an organization’s culture. There are a few distinct qualities of organizations who have cultures that are conducive to Intrapreneurship. These qualities include: enabling change agents, promoting calculated risk-taking and freedom to fail, organizational communication at all levels, recognition and encouragement of employees, and a unifying company mission and vision.

REFERENCES


CREATIVITY IN THE ENTREPRENEURSHIP PROGRAM: A SURVEY OF DIRECTORS OF AWARD WINNING PROGRAMS.

Jacqueline J. Schmidt, John Carroll University
John C. Soper, John Carroll University
Jill Bernaciak, John Carroll University

ABSTRACT

Fillis and Rentscheler (2010) found creativity was critical throughout the entrepreneurship experience and contended that “today’s economy in many parts of the world, it is the creativity of the entrepreneur which offers the best chance of stimulating business”. The American Management Association (2010) also cited creativity and innovation as one of the four critical skills for success in business now and in the future.

Since creativity is acknowledged as a critical skill for the entrepreneur, the question of how it fits in the entrepreneurship program is important. This study discusses the links between entrepreneurship and creativity, types of creativity, methods of measuring and assessing creativity, and surveys the chairs/directors of programs listed in the top twenty-five undergraduate entrepreneurship programs as identified by Entrepreneur magazine for the years 2009-2011. The sample included any program making Entrepreneur’s list in at least one of the three years studied. The total sample was thirty-five schools of whom twenty-two replied for a response rate of 63%. Respondents were asked about their perception of the importance of creativity/innovation in entrepreneurship programs, where creativity is taught in their program, what methods are used to teach creativity, and how it is measured or assessed in these programs, to provide best practices and guidelines for developing programs or current program review.

Creativity involves both divergent thinking (the ability to generate new ideas) and convergent thinking (combining these ideas into the best result). Theorists contend that alternating between divergent and convergent thinking is important as there is a role for both creating new ideas and for validating these ideas (Amabile, 1996; Bronson and Merryman, 2010). Treffinger, Young, Selby, and Shepardson (2002) identify two additional elements of creativity that are critical to the entrepreneur: “openness and courage to explore ideas” and “listening to one’s inner self”. Specific methods to teach and assess each of these types of creativity are given.

RESULTS AND DISCUSSION

Including courses in creativity/innovation in entrepreneurship programs is perceived as very important by 82% of chairs/directors of the award winning programs. Of the twenty-one programs with a major 80% of the programs require training in creativity for their major either as
a stand-alone course or as units in a course/s and 57% require both a stand-alone and a course with a unit or units. Of the eighteen programs with a minor 76% have courses with a unit or units in their minor. Overall 67% percent of the programs require some creativity training in their minor. Courses in which a unit or units on creativity is taught are identified.

A variety of methods are used to teach and measure creativity. However, the dominant methods for teaching and assessing creativity in these award winning entrepreneurship programs emphasize convergent thinking. In teaching creativity, team products are used by 95% of programs, individual projects by 85% and cases by 63%. In assessing creativity, team products are used by 79% of the programs, team/instructor ratings by 74%, portfolio of work by 63% and cases by 63%. While divergent thinking is emphasized in teaching with 79% of the programs using creativity exercises, only 32% use creativity tests or creativity journals in assessment. “Openness and courage to new ideas” and “listening to one’s inner self” are not identified in the teaching methods in these programs and used by only 11% of the programs in assessment. All methods for teaching and assessing creativity are presented in the paper.

Based on these findings the authors address several issues raised for the entrepreneurship curriculum such as should creativity be a stand-alone course or taught as units in several courses? Is a curriculum heavily dominated by convergent teaching and assessment measures the best for the developing entrepreneur in a global society? Should more teaching and assessment activities focus on divergent thinking, “openness and courage to explore ideas”, and “listening to one’s inner voice?” What are best practices for teaching creativity in the entrepreneurship curriculum? Recommendations in all of these areas are made.

REFERENCES


IMPROVING THE BUSINESS SKILLS OF THE SMALL BUSINESS OWNER THROUGH THE EDUCATIONAL SERVICES OF A CHAMBER OF COMMERCE: ONE CHAMBER’S STORY

Kenneth J. Lacho, The University of New Orleans-Lakefront
Erich N. Brockmann, The University of New Orleans-Lakefront

ABSTRACT

Chambers of commerce are an invaluable but often overlooked resource, especially to the small business owner. Chambers provide low cost ways of business education which are frequently underutilized or neglected by the small business owner. This paper presents a case study of one chamber’s services which can be used to improve the business skills of small business owners.

PURPOSE

The purpose of this paper is to illustrate how small business owners, especially chamber members, can use the training and educational opportunities offered by a local chamber to improve business skills. It is a natural assumption that business owners with better skills should avoid costly mistakes; at the very least this should reduce the risks of business failure while hopefully increasing the performance of his or her business.

This study also serves as an impetus to future research studies on chambers of commerce, a topic which has been neglected by academic researchers. However, readers should note that this is an exploratory case and is not readily generalizable to the larger population of chambers of commerce.

LITERATURE REVIEW

The concept of a chamber of commerce first appeared in Europe at the end of the 17th century. The earliest locally-based chamber in North America was established in Charleston, South Carolina in 1772 (Morro Bay, n.d.). Today there are 2,800 state and local chamber chapters and 3,000,000 business members in the U.S. (U.S. Chamber of Commerce, n.d.).

As with their ancestral guilds, the activities of early U.S. chambers were limited to commerce, at least initially. However, over time, the role of chambers expanded to include recruiting new businesses to an area, job creation and other socioeconomic concerns such as housing, public education, workforce development, community services, and unemployment. More recently, chambers have become active in the legislative areas of local, state, and federal government in order to look out after the interests of business members and the economic and social welfare of their communities (Morro Bay, n.d.).

Chambers of commerce are an important force in any community, large or small, yet little academic research has been done on them. Studies include one by Dawley, Stephens, and
Stephens (2005) who studied the multi-dimension ability of organization commitment of volunteer chambers of commerce board members. Modeling was used to examine the affects of organizational commitment on several critical roles the board member is to perform. Study results showed that normative, affective, and continued commitment based on few alternatives had a positive effect on the role of board members. Another study by Lacho, Bradley, and Cusack (2006), investigated the role of business nonprofit organizations in helping with the survival of small businesses in the New Orleans Metropolitan Area in the aftermath of Hurricane Katrina. The business nonprofits, including three chambers of commerce, made extensive use of email in communicating with their members as well as holding workshops on disaster relief topics such as SBA loan programs and insurance. Cooperation or partnering on events with government economic development agencies was carried out.

Lacho (2008) studied the government affairs activities of four chambers of commerce in suburban New Orleans. Each of the studied chambers has a standing government affairs or public policy/committee which monitors local, state, and federal issues and informs the membership about them. Members have the opportunity to interact with local, state, and nationally elected officers at locally-based forums such as luncheons or meet them at the state legislature. A recent development is for government affairs committees to work with similar committees of other chambers on issues of common concern.

Lacho and Brockman (2011) studied how a small business could be promoted through the services of a chamber of commerce. Their study of a single chamber showed that print and online listings are used. Event sponsorships are available. There are many opportunities for networking, e.g., at luncheons or special networking events. Other help included grand openings, sponsorships, and allowing the chamber logo to be used in the business member’s advertising and letterhead.

RESEARCH METHODOLOGY

An exploratory study format was used given the very early stages of any theory development concerning relationships between chambers of commerce and small business owner members (Siggelkow, 2007). Such a method is applicable to the current situation because of the lack of significant studies and because it allows for richer data (Eisenhardt & Graebner, 2007; Eisenhardt, 1989, 1991).

The chamber president, selected committee chairs and staff members of the Jefferson Chamber of Commerce were interviewed in person or by telephone. The interviews lasted 30 to 60 minutes. Secondary sources such as the chamber website, email notices, and chamber printed materials and newsletters were used. In addition, both of the authors drew on their experience as members of the Chamber’s Business Growth and Development Committee during the past ten years and two years respectively.

FINDINGS

The chamber staff was questioned about educational services provided by the chamber. The chamber hierarchy made it clear that education of its members was a priority and that they tried to give members what they wanted.

The activities sponsored/arranged by the chamber were assigned to a typology having three categories; these are summarized here and expanded on in the next section. First, chamber
events where there was a clear intent to transfer knowledge were categorized as Traditional Educational type. This category is akin to a student-teacher (i.e., classroom) environment. An attendee could reasonably expect to increase his or her knowledge about the basic tools necessary for running a business. Second, events which were less formal than a classroom setting but still possessing intent to transfer knowledge were classified as Passive Educational type. These events included luncheons where a speaker delivered a topical address. Third, events that were not explicitly designed for knowledge transfer but provided an avenue for less structured education were classified as Casual Educational type. These latter events were normally intended for networking but did include an opportunity for knowledge transfer. Each of these three types are expanded in the following paragraphs.

The Traditional Educational-type events offered by this chamber are referred to as the “Stayin Alive” program. Even the name invokes an image of needing to learn how to better run a business to avoid failure. On average, eight sessions were offered annually with attendance ranging from 30-120 (average 50 from a population of 1,000 members). The venue was a centrally located public library which had room to facilitate a 130 person meeting. Topics spanned those necessary to run any business and included taxes, labor law, social networking, sales promotion, and ethics. The topics were determined by the Business Growth and Development committee of the chamber which then tailored the offerings to reflect the members’ desires. The following list presents the session titles from the last year. Most recently, the focus has become “How to Improve Sales” because of the current economic environment.

The Passive Educational opportunities consist of speakers at luncheon/breakfast meetings and field trips to the state and federal legislatures. On average, six luncheon/breakfast events occur each year with attendance ranging from 60-110 (average 75). As with the Traditional Educational events, speakers are determined by the Business Growth and Development committee of the chamber. However, the topics for these sessions are reliant on speaker availability. The speakers are normally members of the National Speakers Association (NSA). Because of personal involvement by the chair of the Business Growth and Development committee in the National Speakers Association, the committee learns when an association speaker may be in town. He or she is then contacted by the chamber and invited to talk to the members. This “Speaker of Opportunity” process keeps the costs to a minimum while still benefitting from having nationally known speakers present to the chamber.

The Casual Educational opportunities consist mostly of networking events; these were not intended as “knowledge transferring.” However, any meeting between business owners presents a vehicle for learning. For instance, during casual conversation members may meet someone who could solve a particular business problem. While such knowledge exchange is contextual, these networking events do present an educational opportunity and are therefore considered as educational events.

**DISCUSSION**

It was obvious from our discussions that those persons in leadership positions in the Chamber value education. From a holistic perspective, one could infer that everything the chamber does involves educating its members to some degree. For that reason, the findings of this research show that the Jefferson Chamber offers a continuum of educational opportunities for its members. These opportunities include: Traditional education or pure instruction, Passive education with a mixture of education and networking, and Casual education consisting of pure
networking albeit with some knowledge transfer. Although the focus of this paper was a local chamber, the types of education and the lessons learned from their use can be easily extrapolated to just about any chamber of commerce.

Other programs revealed some interesting findings. For instance, the governmental programs were initially viewed as a Passive Educational opportunity. However, a significant amount of interaction between some of the members and the speaker went beyond general educational exchange. That is, some members viewed the ‘educational’ event as an opportunity to gain access to the speaker for other reasons. For example, a commissioner was discussing redevelopment plans for a local neighborhood that had the intent of providing a pedestrian friendly environment to help customers reach businesses. Some of the incumbent business owners felt that they were being slighted and took the opportunity to vent their frustrations out on the commissioner.

The topic/speaker selection decisions are dominated by three persons, the chamber president, and the heads of the Business Growth and Development (BGD), and Government committees. Feedback on topics is encouraged from chamber members, especially by the BGD. One concern is the fact that the head of the BGD is leaving after his year of tenure. He is a member of the National Speakers Association and has connections to speakers who are coming to New Orleans. His leaving will leave a vacuum in working with the NSA network.

CONCLUSION

The previous discussion is based on a case study of one chamber of commerce and its education services it provides to small business members in order to increase their chances of survival and improve performance. Just about anything the chamber provides could be viewed as an educational opportunity. For that reason, these findings presented a typology of education events; Tradition, Passive, and Casual. It’s fairly obvious that most events sponsored by the chamber of commerce for its members have the opportunity to become an educational event. All it takes is that recognition of the opportunity and then leveraging it in order to help the local business owners be more successful.

This study is relies on a single case and is not readily generalizable to the population of chambers of commerce. However, as stated in the purpose, the information presented here can be used by any other chamber that wishes to increase its involvement in educating its members. From an academic perspective, there are many opportunities for academic research concerning chambers of commerce. One area of research concerns chamber activities and how they may differ in content and effectiveness according to urban versus rural, economic and socio-cultural environmental factors. Of particular interest is the future of the Internet, Facebook, and other social networking venues particularly as they may apply to the younger business owner/entrepreneur.

REFERENCES


SparkNotes, LLC, 2011.


PRIVATE COMPANY FINANCIAL REPORTING FOR SMALL AND MIDSIZE COMPANIES

Marianne L. James, California State University, Los Angeles

ABSTRACT

For decades, small and midsize private companies have requested financial reporting standards that better meet the needs of their financial statement users. With the likely implementation of International Financial Accounting Standards (IFRS) by U.S. public companies on the horizon, private company financial reporting standards finally may become a reality. This is a very significant development for the approximately 28 million private companies and especially those that are small or midsize. Standards tailored to private companies may be more relevant to financial statement users, less complex and less costly to apply. However, small and midsize companies should consider potential challenges that may arise and consider their impact in light of their company’s short-term and long-term strategic plans.

This study presents information about current significant developments regarding private company financial reporting standards and explores the impact that the availability of such standards may have on private companies. The study also focuses on key strategic decisions that private companies need to consider when assessing the benefits and challenges that the use of private company standards may entail.

INTRODUCTION

At a recent national conference, Leslie F. Seidman, current chair of the Financial Accounting Standards Board (FASB) noted that there were “two elephants in the room” (Seidman, 2011). She was referring to International Financial Reporting Standards (IFRS) and private company financial reporting, which she identified as the two most significant issues affecting the accounting profession, companies, and capital markets (Seidman, 2011). These two issues while targeting different types of companies – public and private - are related. Specifically, the likely future implementation of IFRS in the U.S. has lent momentum to a long-standing movement toward the creation of private company financial reporting standards.

For decades, private companies have called for the creation of financial accounting standards tailored specifically to the needs of their financial statement users. Recent developments in financial reporting have significantly increased the changes of this finally becoming a reality. The advent of private company reporting standards, likely will provide companies with the opportunity to choose between private company accounting standards and accounting standards required to be used by public companies.

Especially small and midsize private companies will benefit from the development of private company standards. However, prior to adopting a new set of standards, private companies should carefully consider a number of factors relating to their short-term and long-term strategic plans and assess the advantages and challenges of each choice. This study provides information
about the current status of financial reporting for private companies in the U.S. and explores key factors that private companies should consider.

BACKGROUND

By law, private companies are not required to issue annual or quarterly financial statements. Thus, private companies can choose to apply U.S. Generally Accepted Accounting Principles (U.S. GAAP), or another set of standards, such as cash basis, or even IFRS. However, many private entities, especially small and midsize private companies, utilize accrual accounting, apply current U.S. GAAP, and issue financial statements to outside users. The reasons for choosing to apply U.S. GAAP vary, but tend to include specific lender requirements and desired comparability with public companies, which are required to issue annual reports consistent with U.S. GAAP.

Approximately 14,000 public companies report financial information to the SEC (BRP, 2011). These companies must comply with U.S. GAAP. However, there are approximately 28 million private companies (BRP, 2011) with financial statements users whose needs may not be optimally served by accounting information generated utilizing current U.S. GAAP.

Concerns about current GAAP and its applicability to private companies and their financial statement users typically focus on the complexity of current U.S. GAAP, a lack of relevance of some of the most complex accounting standards to private companies, and the ensuing cost burden for private and especially small and midsize entities (BRP, 2011).

Prior to issuing its FASB Accounting Standards Codification™, which became effective in 2009, FASB issued 168 Statements of Financial Accounting Standards, 40 FASB Interpretations, and a series of FASB Bulletins and Staff Positions. While most of its early standards were brief, during the past two decades, FASB standards have become quite long, with extensive detail and implementation guidance.

In addition, private companies and especially small and midsize companies do not routinely encounter some of the transactions and financial reporting issues pertinent to public companies. For example, goodwill and the required complex impairment testing of goodwill tend to be less important to private and especially small companies, than to public companies. Complex equity transactions, contingent considerations in mergers and acquisitions also tend to be less pertinent to those entities. However, when FASB issues a new standard (now referred to as Accounting Standards Update), the accounting staff of a company utilizing U.S. GAAP must disseminate the information, evaluate the impact of the change on the company’s accounting information system, and implement and report on the change.

THE MOVEMENT TOWARD PRIVATE COMPANY GAAP

The call for private company GAAP is long-standing (Zanzig & Flesher, 2006). However, recent regulatory and accounting standard setting events have provided new momentum to the movement. The SEC’s decision regarding IFRS is eminent and is expected to require at least some level of mandatory IFRS implementation by U.S. public companies. While global public companies likely will benefit in the long-run, the benefits of using IFRS tend to be much less certain for private and particularly small private entities. Thus, the creation of private company GAAP has become even more important.
In 2009, the Financial Accounting Foundation (FAF) together with the American Institute of Certified Public Accountants (AICPA) and the National Association of Boards of Accountancies (NASB) sponsored a Blue Ribbon Panel (BRP) whose ultimate mission were to consider the needs of private company financial statement users and prepares and to recommend a course of action regarding private company financial reporting (BRP, 2011). In January 2011, the BRP issued its report. The BRP’s two key recommendations are (1) the development of a specific “GAAP with exceptions and modifications for private companies (with process enhancements)” and (2) the establishment of a “separate private company accounting standards board” (BRP, 2011, p.3).

After considering the BRP’s recommendations, on October 4, 2011, the FAF issued a proposal entitled “Request for Comment. Plan to Establish the Private Company Standards Improvement Council “(FAF, 2011) and proposed that instead of a separate independent board, a separate council should be responsible for setting accounting standards for private companies. Contrary to the BRP’s recommendation, the council would be part of FASB, and FASB would maintain the ultimate authority to approve accounting standards for private entities.

The AICPA also strongly urges the FAF to comply with the BRP’s recommendation and supports the creation of a separate independent board in charge of developing GAAP modifications for private companies (AICPA, 2011).

STRATEGIES FOR PRIVATE COMPANIES – KEY FACTORS TO CONSIDER

Currently, private companies can choose to apply U.S. GAAP or another set of accounting standards, such as IFRS, which also is based on accrual accounting, or even a cash or tax basis of accounting. Assuming that a new set of standards that is modified to address the special needs of private company financial statement users becomes available, private companies may have an additional financial reporting choice. Prior to making a choice, private companies should consider the short-term and long-term consequences and the advantages and disadvantages associated with applying specially tailored private company GAAP. These advantages and disadvantages will be directly influenced by a company’s short-term and long-term strategic plans.

The key factors that may influence a company’s short-term and long-term strategic plans include: (1) the company’s anticipated future organizational structure and sources of capital, (2) expected and targeted sources of future growth, (3) potential for globalization and financial statement comparability, and (4) staffing considerations. Costs and benefits should be considered for each of these five key areas of consideration.

Most companies begin their life as private entities, as sole-proprietorships, traditional partnerships, limited liability partnerships (LLPs), or S Corporations. Highly successful companies may, at some point, decide to convert their organizational structure to a public corporation to help finance rapid growth and gain access to large amounts of capital. Public companies must comply with U.S. GAAP and, in the future, likely will have to implement some version of IFRS. A company’s anticipated future change in capital structure is closely related to a company’s strategies relating to future financing sources. A common reason for converting from a private to a public company is to gain access to large amounts of financing capital. Owners of private companies in need of large amounts of extra capital for expansion or other purposes also can minimize a concentration of control by publically selling stock or bonds to a large number of
diverse investors. Compliance with SEC regulations for public offerings includes filing financial statements consistent with U.S. GAAP.

Thus, if a company anticipates that it will eventually “go public,” it should consider continuing applying current U.S. GAAP and probably some version of IFRS once the SEC issues a formal decision on IFRS. Implementing standards modified for private companies will entail some initial cost and likely create more divergence with public companies. If such an organization decides to become public, the cost associated with converting the accounting information system and restating its prior years financial statements will be quite significant. For this reason, companies should consider carefully, whether a change in organizational structure is likely in the future and whether it would be truly beneficial in the long-run to apply private company GAAP, once it becomes available.

Companies can grow through internal expansion and through external acquisitions. Internal growth tends to result from successful operations and the company’s ability to raise additional capital through ownership participation and/or lending from financial institutions. External sources of growth typically involve the acquisition of outside entities, such as competitors, suppliers, or distributors. The acquired companies may be private or public. Evaluating acquisition targets is not easy. If a company considered for acquisition utilizes a different set of accounting standards, the evaluation will become even more difficult. In addition, once an acquisition is completed, the acquiring company will need to consolidate the financial results of the acquired company with its own. Differing sets of accounting standards will make this process more complex and costly. Thus, in deciding what type of accounting standards to use, private companies should consider their long-term growth strategies and their expected sources of growth.

Maintaining and enhancing comparability between different companies represents an important goal of financial reporting standards. The use of different sets of accounting standards for public companies and private companies will raise some important comparability issues. This will be especially the case if, or rather when the SEC decides to implement some degree of IFRS in the U.S. In the long-run, comparability issues between public and private companies may make it more difficult and ultimately more costly for private companies to raise capital, especially if they operate in a global market, where nearly 130 nations world-wide permit or require the use of IFRS.

Private companies and especially small and midsize organizations typically experience a heavy cost burden from the increasing volume of GAAP. Switching from current U.S. GAAP to private company GAAP in the short-run involves additional cost and resources, but in the long-run may yield significant cost savings and hopefully generate reports that are more meaningful for financial statement users. However, if the company anticipates a future change in capital structure and public offerings, an additional switch would be warranted that would be even more costly. Companies should consider their long-term as well as their short-term strategic plans and the cost and benefits associate with each choice in context of their plans.

**CONCLUSION**

For several decades, private companies and their financial statement users have asked standard setters to address the growing burden and lack of relevance of statements prepared consistent with current U.S. GAAP. This movement has gained momentum during the last few
years and accounting standards that better meet those needs may, in the near future, become a reality.

Private companies, and especially small and midsize organizations, need to be aware of anticipated changes and the challenges and opportunities that may arise. A change or new choice in GAAP for private companies tends to generate advantages and challenges for the companies, their owners and financial users that need to be considered by management. Management’s decisions on accounting standards should support and complement their short-term and especially their long-term strategic plans.

REFERENCES


CONFLICTING MEASURES OF INNOVATION ACTIVITY: WHAT ELSE IS NEW?

Robert J. Lahm, Jr., Western Carolina University
Karen Nicholas, Western Carolina University

ABSTRACT

There are frequent “calls to innovate” issued to businesses by governments around the globe. These have been made even more predominant during this period of economic recession. However, upon examination of innovation data in regards to the U.S. and that of other nations, authors of this present paper conclude that there are numerous conflicting measures innovation activity, exacerbated by a propensity in the literature to represent numerous definitions and measurements. While a logical conclusion could be that innovation measurement and reporting is becoming more politicized, it can also be argued that different economic times require different measurements in order to accurately monitor innovation activities.

INTRODUCTION

As the world struggles with the economic recession, governments are emphasizing the role that innovation can play in moving countries forward into positive economic times. Innovation is seen as a key driver of economies. In the United States, the topics of innovation and small, entrepreneurial businesses are often tied into political speeches ranging from the highest levels of the federal government to local levels. Globally, most governments are consistently speaking of the need for their country to lead in innovation. The theory proposed by the United States government is that innovation will provide competitive advantages, leading to good jobs and that innovation will ultimately increase the quality of life for Americans (National Economic Council, Council of Economic Advisers, & Office of Science and Technology Policy, 2011). Thus, innovation can be seen as a veritable panacea for the current situation found in the U.S.

In order to create a sense of urgency, research and reports comparing nations’ innovation rates have been developed and disseminated by various governmental agencies (for example, Atkinson & Andes, 2009; Pro Inno Europe, 2011). While these reports are beneficial by providing the data collected, they are also confusing as the results can be directly contradictory. A study provided by The Information Technology and Innovation Foundation (ITIF), a non-profit Washington-based think tank, examined 40 countries to ascertain their innovativeness level and also to see how they were adapting to the requirement to be a “knowledge-based innovation economy” (Atkinson & Andes, 2009, p. 1). Based on their research, the U.S. ranked sixth in worldwide innovation and competitiveness levels, and showed a marked downward trend in innovation during the previous ten years. This study also concluded that the U.S. was falling
behind in converting to a knowledge-based innovation economy and due to this lagging, may fall even further in its rankings in future years.

Conversely, a study conducted by an arm of the European Union (Pro Inno Europe, 2011) examined the various European Union countries’ innovation rates and compared them to leading economies around the globe. The report stated that the U.S. is the most innovative country in the world based on the 25 measures utilized. More specifically, during the past five years the U.S. consistently measured between 45 to 49% more innovative than the European Union. However, this comparison was conducted between the U.S. and the European Union as a whole, and does not provide direct comparisons between the U.S. and specific European Union countries. That is, it may be more applicable and beneficial to compare the U.S. and Germany than a consolidated European Union result.

A possible implication from these two studies could be that governments want to actively and overtly engage in pressuring their constituents to be more innovative; this would go hand-in-hand with the tendency to praise innovativeness and to point to firms that innovate, and whole organizational cultures that innovate, as exemplars in political rhetoric. If a government can convince its general populace that innovativeness is a key to competitiveness and personal as well as national prosperity, and if the population at hand responds positively, then it can anticipate prospective growth (and importantly, from any given government official’s point of view, revenues to come). However, the issue could be more basic: how are innovativeness and innovations themselves being measured?

**INNOVATION DEFINITION AND TYPOLOGIES**

The definition of innovation must be examined from a number of viewpoints, in order to create a complete picture of what an innovation is or can be. A common requirement of a definition of innovation is the element of newness, whether it be new in form or approach (van de Ven, 1986). This newness may be found at any level of the organization, including an individual department (Slappendel, 1996). The value that innovation brings to an organization (Wijnberg, 2004) either directly or indirectly is a further approach to locating and analyzing innovations by controlling for those small and somewhat common innovations. Another viewpoint is that of the resultant change caused by either the creation or the introduction of an innovation. Thus, organizational change can be seen as driven by innovation as “all adaptation, whether evolutionary or revolutionary, requires innovation.” (Gupta, Tesluk, & Taylor, 2007, p. 885). In its broadest sense, any change in an organization can be seen as being owed to an innovation. Thus, such a definition can further contribute to the measurement issues, as changes are extremely difficult to measure and could result in innovation being perceived as ubiquitous.

Damanpour and Wischnevsky proposed that further research distinguish between innovation-generating organizations and innovation-adopting organizations (Damanpour & Wischnevsky, 2006). This categorization distinguishes between those organizations that generate innovations for use by others and those that adopt innovations for internal benefit. While patents are used in management research frequently as a basis for measurement of innovation generation, even this basic measurement has come under scrutiny for its ambiguity.
Innovation adopting research tends to have its own complications, as it usually follows the diffusion of a single innovation, a process launched by the seminal work of Rogers (1976).

A major innovation distinction is between that of product and process innovations (Damanpour & Gopalakrishnan, 2001). Product innovations typically have an external focus with the goal of increasing the product market size or the number of users, while process innovations have an internal focus, with an objective of increasing organizational effectiveness and efficiency. Similar to this distinction is the technical versus administrative distinction (Daft, 1978), with technical innovations concerning new products or services, while administrative innovations are aimed at internal, administrative functions and processes relating to internal policies and procedures (Damanpour & Evan, 1984). It is noteworthy that the distinction between process and product innovations may be more appropriate in this day and age than the division between technical and administrative innovations, as many current innovations tend to have some technical element to them, while in 1978 there was a clearer demarcation between technology and the rest of an organization’s activities.

A further distinction concerns the degree of change that an innovation brings to an organization, with the options being incremental or radical. An innovation that slightly impacts an organization or market can be deemed incremental, while a radical innovation is “major in scope and breadth, involving strategic innovations or the creation of new products, services or markets” (Koberg, Detienne, & Heppard, 2003, p. 24). However, even this bifurcated distinction may be too simple, as is indicated by the presence of cumulative innovators, who take an innovation generated by another organization and add an additional element, for either external markets or internal use (Murray & O'Mahony, 2007). Cumulative innovations can be seen as occupying a space between radical and incremental innovations, indicating a spectrum versus two alternatives.

**INTERPRETIVE NATURE OF TYPOLOGIES**

While typologies are valuable in their ability to provide categorizations useful in innovation research, a difficulty lies in the interpretive nature of these classifications (Downs Jr & Mohr, 1976). That is, organizations can interpret innovations differently depending on both the organization’s composition as well as the innovation’s intended use. For example, the motivation for selecting an innovation may be different for a research and development department versus an accounting department. As well, the same innovation may be motivated by different concerns for a small organization versus a large organization. The distinctions mentioned here have already been argued by prior researchers in various contexts. An appropriate quote is from Freeman, arguing that nations do not need to be the primary innovator in order to create economic prosperity. Rather, he argues that “is to have the capability to use the new technologies in some industries and to produce a part of the wide range of new products and services appropriate to local conditions, resources and comparative advantages” (Freeman, 1989, pp., p. 96).
CONCLUSION

The issue with this discussion is how can this be researched? How can the current innovation activities be compared to innovation activity during the boom times? Is it possible to discern whether the current innovations are less risky than innovations several years previous? One potential method would be to use systems theory to create a holistic view of the innovation landscape. By examining multiple inputs and outputs relating to innovative activities, it may be possible to analyze the data to discern the effect of positive and negative economic environments. Causality may also be a potential research outcome if the data is robust enough. The authors of this present paper find that there is neither a consistent measure for innovativeness nor even a consistent description of innovation. So what is not “new” is that these basic constructs need to be more satisfactorily addressed by future researchers.

REFERENCES


THE ‘BUSINESS CONCEPT’ COMPETITION AS A ‘BUSINESS PLAN’ ALTERNATIVE FOR NEW AND GROWING ENTREPRENEURSHIP PROGRAMS: WHAT’S THE BIG IDEA?

Robert Laud, William Paterson University
Stephen Betts, William Paterson University
Sam Basu, William Paterson University

ABSTRACT

‘Business Plan’ competitions are a proven way to create buzz for entrepreneurship programs. They generate significant excitement and interest among students, and increase awareness of the program among the larger community. Unfortunately the expense, complexity and resource requirements of such competitions puts them out of the reach of new and small programs. In this presentation we will discuss the benefits and challenges of business competitions. We will also describe an innovative approach - the ‘Business Concept’ competition, which emphasizes the basic ideas driving a business without requiring a full ‘Business Plan’. Additionally we will outline some of the essential activities and key lessons learned from our competition process. The proposed method has been successfully piloted. We found that it fostered creativity and involvement among students, strengthened relationships with other schools within the university and resulted in positive publicity for our new entrepreneurship program.

INTRODUCTION

‘Business Plan’ competitions foster creativity and involvement among students, and publicity for an entrepreneurship program. Unfortunately the complexity and expense of such competitions make them out of the reach of small and new programs. In this paper we will describe an alternative for growing programs that still generates significant excitement and interest - the ‘Business Concept’ competition - as successfully run at William Paterson University in the Fall of 2011.

The primary difference between our ‘business concept’ and ‘business plan’ competitions is in the degree of rigor and development. In the ‘concept’ competition, the primary idea was of utmost importance and the judging criteria were very flexible. Participants did not have to fully develop all aspects of the idea. The initial stages of the competition required only a one page description. The intent was that by leaving the requirements simple, students with all types of ideas at any stage of development could enter. The result was a large number and variety of ideas submitted, and a lot of interest across the school. From approximately 80 entries, 8 finalists were chosen. They worked with faculty mentors to more fully develop their idea. Each
of the finalists was given a half hour to present their idea to an audience of judges, students, faculty and invited guests.

ENTREPRENEURSHIP PROGRAMS

Entrepreneurship programs are among the fastest growing initiatives in modern colleges and universities (Mattare, 2010; Yu & Man 2009). For the student, they tap into the dream of starting a business and watching it grow and develop. The programs provide training and opportunities to make those dreams come true. To the college the programs mean a chance to connect with the outside community, to facilitate meaningful projects, attract the best and brightest students and gain prestige and recognition. There are examples of successful and prospering entrepreneurship programs that can serve as aspirational reference points. The challenge is getting from a standing start to becoming an established program. This can be easy if a donor or set of donors share the college’s vision and will bankroll the program as it grows. More often than not, benefactors get involved as a result of initial success, not before. So how does a college with few resources develop a program? In this paper we will address one of the strategies used by William Paterson University – a ‘Business Concept’ competition.

An ideal entrepreneurship program has significant funding, external stakeholders in a variety of fields, such a venture capital, that get involved in programs and activities, students interested in entrepreneurship and professors who teach and conduct research about entrepreneurship, as well as provide assistance to entrepreneurs at various stages in their venture, perhaps even a business incubator to help start businesses. However very few, if any, schools can jump directly to this ideal state. The challenge is to develop and implement a plan to get there.

Successful established programs often have a business plan competition. Planning is a key success factor in small entrepreneurial firms (Nunn & McGuire, 2010; Becherer & Helms, 2009; Hormozi, Sutton, McMinn & Lucio 2002). Nascent entrepreneurs are more than 2 ½ times more likely to follow through on starting a business if they have a business plan (Liao & Gartner, 2006). There also is wide agreement that entrepreneurial education need to have experiential components (Vincent & Farlow, 2008), and business plans are experiential learning (Kraus, Harms & Schwarz, 2006). There are a great variety of these competitions. Some allow participation from external stakeholders, others are limited to students. Some competitions have a theme or are associated with a cause such as water (‘Imagine H2O’, 2010) or urban enterprise (‘MillerCoors’, 2010). Many have significant prize money. The University of Maryland annual competition gives away $75,000 (‘First Look’, 2012). Competitions often have an organization or individual that sponsors it. The Florida Venture Forum sponsors a clean energy business plan competition with $200,000 in prize money (‘The Florida Venture, “ 2012). Another characteristic of these competitions is that they are ongoing and repeated year after year. A culture and set of expectations builds around them, as do ancillary activities. The University of Maryland has over 30 initiatives related to entrepreneurship (‘White House’, 2011). Unfortunately such competitions are difficult to start if there is no existing culture and little available funding to support it. The creative solution that we implemented was a business
concept competition that concentrated on the basic idea and did not require extensive planning and analysis on the part of the student to participate.

‘BUSINESS CONCEPT’ COMPETITION

Our business concept competition was to be an outlet for our students to show their entrepreneurial side. For the College of Business it is meant as a stepping stone or even a launch pad to reaching higher level goals. From the start we had competing objectives and concerns. We would like the competition to succeed, but we do not want to risk an embarrassing failure. We would like to have many participants, but we also want high quality ideas. We ultimately want involvement from a variety of internal and external stakeholders in our program, however we are cautious about outside involvement in our first foray into this type of activity.

The key to the success of the competition was careful and deliberate planning. From the start a set of coordinated goals and plans were developed. A flow chart and detailed task list was developed. Table 1 shows the categories of tasks. Each category had a number of distinct actionable tasks. As an example the ‘Flyer’ tasks are listed. It tells what needed to be done, in this case where the flyers are distributed. It also included explanations and details such as who the contact person is in the copy center, as well as the person on the ‘team’ that is responsible and due dates. The core ‘team’ was two professors, a graduate assistant and additional help from the dean’s office and other professors as needed. Activities were tracked and adjustments made along the way.

One basic question was ‘can we get involvement?’ In order to foster involvement of both students and faculty, workshops were given for each. There were class visits in targeted courses informing students of the competition, as well as flyers and announcements. These were augmented by workshops for developing ideas. Professors from a broad array of courses and disciplines were recruited to help. Professors were needed initially to encourage students to participate. Some professors held small preliminary competitions in their own courses in order to generate student interest, others gave students extra credit. Once the finalists were determined, professors volunteered to mentor students. Lastly, professors were encouraged to bring their classes to the final presentations.

The goal was to keep the barriers to participate as low as possible. The rules to the contest were readily available online. A full business plan was not necessary, just a ‘business concept’ – a good idea that could be developed. An online application process made it easy to enter the competition. The initial application required very little information, although participants could augment the one page form. There were over 75 entries, each representing one or a team of students. A panel of professors reviewed the entries and narrowed it down to 8 finalists. The finalists were a cross-section of the kinds of ideas submitted. Among the finalists were A riding academy, a robot that cleared snow and an online digital school yearbook. The eventual winner was ‘Beyond Bingo’, a place for senior citizens who lived on their own where they could go on a daily basis to participate in all of the activities usually found in an assisted living facility.
Table 1 - BUSINESS CONCEPT COMPETITION TASK LIST

<table>
<thead>
<tr>
<th>TASK</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Due Date</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Brief</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flyer*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print and distribute</td>
<td>Xerox</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact John Smith (x1234)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post in COB, Main Campus</td>
<td>Scott-other</td>
<td>9/19</td>
<td></td>
<td>Need Rajiv to id additional temp help</td>
</tr>
<tr>
<td>Student paper</td>
<td>Post in student newspaper</td>
<td>Scott</td>
<td>9/28</td>
<td></td>
</tr>
<tr>
<td>Other locations</td>
<td>Any other places for</td>
<td>Scott</td>
<td>9/21</td>
<td></td>
</tr>
<tr>
<td></td>
<td>students—Announcements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main campus faculty</td>
<td>Send to main campus</td>
<td>Sam</td>
<td>9/2--22</td>
<td>Visits by Sam and Bob</td>
</tr>
<tr>
<td></td>
<td>faculty—through deans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plasma Screens</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discussion -Main Campus Deans</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class Visit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competition Sponsorship</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Enrichment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application Review</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Judging</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov. 17 Event</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*note – subtasks items under ‘flyer’ are filled in. Each other task had similar sub-tasks.

Finalists were paired with professors to develop their concepts. Some students worked with 3 or 4 faculty members. Several classes of MBA students gave feedback to practice presentations. The Assistant Director of a local New Jersey Small Business Development Center stepped up to coach finalists, and the Dean of the College of Business helped with the financial analyses. On the day of the competition the finalists gave 20-30 minute presentations to a panel of judges and an audience. The judges were local bankers, a small business advisor and a faculty member. The audience varied from about 50 people to over 120 at times during the day, including faculty, students and administrators from all over the campus as well as guests. The winning concept was awarded $4,000, the runner up got $2,000 and the third place got $1,000. The competition was an unqualified success – the quality of the projects exceeded all expectations and the attendance at the event was greater than anticipated.
CONCLUSIONS AND LESSONS LEARNED

After the competition, faculty, administration and graduate assistants met to ‘debrief’ and discuss the future. It was important to discuss the process to see what worked, what needs improvement and to make preliminary plans for the next year’s competition.

1. Start small. Full business plan competitions are too big. A ‘concept’ competition allows for greater participation.
3. Remain flexible. Things will not go as planned. Be prepared to make adjustments.
4. Recruit key faculty members from a variety of disciplines. Have them talk about it in class, mentor the finalists and encourage their students to attend the final competition.
5. Keep barriers to participation as low as possible. Require a good idea, not a full plan. Have a one page entry form.
6. Hold workshops for students and faculty. This generates interest and greater quantity and quality of entrees.
7. Follow up. Do not let this be a one-time event. Start planning on how to improve it for next time.

We intend on holding our second competition in the Spring of 2013. The planning is already underway. Currently we are seeking external partners that can be involved. In our first competition we avoided this because we did not know the quantity and quality of the ideas that would be submitted. We chose Spring to give more lead time for everyone involved. In retrospect we accomplished all that we wanted to and more. Students have already begun to discuss their ideas with us. This indicates to us that we were successful in moving towards creating awareness and establishing an entrepreneurial culture.

REFERENCES AND ADDITIONAL MATERIALS AVAILABLE ON REQUEST
DISCOVERING HETEROGENEITY OF ENTREPRENEURS: A COMPARISON OF FOOD AND NON-FOOD ENTREPRENEURS

Liang, Chyi-lyi (Kathleen), University of Vermont
Dunn, Paul, University of Louisiana at Monroe

ABSTRACT

This study, as a preliminary study to a larger study about food systems, was undertaken to determine if and to what extent food entrepreneurs were different from non food entrepreneurs. Food entrepreneurs (farmers, food processors, food distributors, wholesale, retail, and eating and drinking business owners) face some risks that non food entrepreneurs do not. This study shows that food entrepreneurs may be a little different, but are by and large very similar to their non food counterparts.

BACKGROUND OF FOOD ENTREPRENEURS VERSUS NON-FOOD ENTREPRENEURS

Understanding our food systems has become an important topic, but little attention has been given to the area of food entrepreneurs who often lead the revolution of how food interacts with our lives. This paper provides a closer look at the differences between food entrepreneurs and non-food entrepreneurs. We define food entrepreneurs are those involved in “food system” including farmers, food processors, food distributors, wholesale, retail, and eating and drinking business owners.

Food entrepreneurs and non-food entrepreneurs may be different. First of all, the interactions between upstream enterprises and downstream enterprises are much closer yet unpredictable in the food industry. Secondly, food entrepreneurs face different levels and types of risks compared with non-food entrepreneurs.

LITERATURE REVIEW

There has been a great deal of work on entrepreneurial characteristics such as high achievement driven, action oriented, internal locus of control, tolerance for ambiguity, moderate risk taking, commitment, opportunistic, initiative, independence, commitment/tenacity, creativity, and optimism (Liang & Dunn, 2003; Malach-Pines, Sadeh, Dvir, & Yafe-Yanai, 2002; Crane & Sohl, 2004; Liang & Dunn, 2008(1)). These researchers seem to agree that optimism links to other entrepreneurial characteristics when we identify who entrepreneurs are.

Researchers discussed the levels of unrealistic optimism leading to various consequences in venture development such as financial problems and dissatisfied personal and family life.
(Schneider, 2005; Liang & Dunn, 2008(1); Liang & Dunn, 2008(2); Kuratko & Hodgetts, 2004; Litt, Tennen, Affleck & Klock, 1992; Seligman & Schulman, 1986; McColl-Kennedy & Anderson, 2005; Baron & Shane, 2005; Hey, 1984; Petrakis, 2005; De Meza & Southey, 1996; Coelho & De Meza, 2006; Brocas & Carrillo, 2004; Puri and Robinson, 2004). Some research has shown that optimistic entrepreneurs appear to perform better and more competitive in select environments and organizations (Manove, 2000). Researchers have assumed that entrepreneurs in general follow similar paths in new venture creation – entrepreneurs seem to have the same traits and characteristics, and they seem to believe in owning their businesses as a solution to financial improvement and satisfaction from both their personal and family perspectives.

Psychologists’ discussions of optimism and other personal characteristics have often been gathered anecdotally in case specific situations (Weinstein, 1980 & 1982; Taylor, 1989). The discussions in entrepreneurship and economics are typically in the conceptual state (Aidis, Mickiewica & Sauka, 2008). The development of new ventures seems to have a positive relationship with the economic activities, and entrepreneurs respond to economic recessions with an optimistic manner (Barbera, 2004; Carver, 2008; Fraser & Greene, 2006; Simon & Houghton, 2002).

There have been no studies to verify if there exist any discrepancies between food entrepreneurs and non-food entrepreneurs with respect to their characteristics, demographics, experiences, needs, challenges, barriers, and new venture formation process. It does not imply all entrepreneurs are the same, and the relationship between entrepreneurial individuals and their characteristics, demographics, decision making, expectations, and learning experiences must be studied across different industries (Liang & Dunn, 2008(1); Liang & Dunn, 2008(2)).

**METHODOLOGY**

A survey instrument was designed and pre-tested among entrepreneurs to assess entrepreneurial characteristics, business profile, entrepreneurial optimism/pessimism/realism, expectations, new venture creation outcomes, and learning experiences. This survey was conducted between 2009 and 2011 with the assistance of students enrolled in the Introduction to Community Entrepreneurship course at the University of Vermont. They collected and completed usable surveys from 417 food entrepreneurs and 485 non-food entrepreneurs in 2 years. All businesses were checked to prevent duplications and inconsistent answers. Crosstabs were calculated to summarize responses and Chi Square and Gamma tests were calculated.

**FINDINGS OF THE STUDY**

A majority of the food entrepreneurs and non-food entrepreneurs surveyed shared similar demographics (Table 1). Most of the respondents in food and non-food businesses are male, less than 50 years old, white, and with at least some college education. More non-food respondents were over 50 years old. A slightly higher percentage of the non-food respondents were white.
There were some statistical significant differences in the distributions of age, race, and education between food and non-food entrepreneurs in our sample.

There were some statistical significance differences between food entrepreneurs and non-food entrepreneurs with respect to their business profile and work experiences (Table 2). Many food entrepreneurs started their businesses less than 5 years, while 31 percent of the non-food entrepreneurs started their businesses over 15 years ago. Fifty-one percent of the non-food businesses were located in rural areas, compared with 44 percent of the food businesses. Over 50 percent of the non-food businesses hire 1-5 full time employees, and 1-5 part time employees. More food businesses relied on part time employees, compared with non-food businesses. In terms of previous experiences prior to start up, over 2/3 of the respondents in both food and non-food businesses had line experiences. Only few entrepreneurs did not have any experiences prior to start up. More food entrepreneurs (54%) versus non-food entrepreneurs (45%) had 1-5 years in management positions.

All of our respondents revealed similar entrepreneurial characteristics of being independent, being in control, and being creative (Table 3). A slightly higher percentage of the food entrepreneurs (93%) agreed or strongly agreed that they were willing to accept risks compared with non-food entrepreneurs (92%).

Realism has not been investigated thoroughly in entrepreneurship theories. Our survey results show that a majority of the respondents, in both food and non-food businesses, believed they were realistic in the new venture creation process. Over 70% of the total respondents agreed or strongly agreed that they set achievable goals, they were realistic about the future, they looked before they leaped, they weigh the risks and rewards carefully, they weigh negative and positive outcomes before making decisions, they were certain about the situation, and they always found information to assist in decision making (Table 4).

Table 5, however, tells a very consistent story regarding how entrepreneurs assess their own optimism and pessimism with respect to new venture creation. It is very obvious that over 60% of the respondents in both food and non-food businesses were very optimistic about their business decisions. Does the optimistic attitude relate to their assessment on satisfaction with the new venture creation? Not necessarily. Between 50% and 60% of the respondents in both food and non-food businesses believed their sales were about the same as they had expected, and the profits were about the same as they expected (Table 6). Over 80% of the total respondents believed their businesses were up and running well, despite the sales and profits were not as high as they might have expected.

Literature discusses one reason for people to start businesses was to fulfill personal and family happiness. Between 60% and 70% of the respondents in both food and non-food businesses expected to be happier prior to start up (Table 7). Over 80% of the total respondents were actually happier after starting the businesses. Approximately 60% of the total respondents expected their family to be happier prior to starting, and between 70-80% of the total respondents actually believed their spouses were happier after starting. Similarly about 70% of the total respondents expected their family financial situation would improve prior to starting, and between 70-80% of the total respondents actually believed their own financial situation and their
family financial situation were improved after starting (Table 8). We think it is important that we allow individuals to assess their own satisfaction rather than apply an economic test.

Evidence and literature had shown challenges in new venture creation given financing, management, operation, and balancing personal and family life. More food entrepreneurs in our sample agree or strongly agreed (82%) that starting businesses was harder than they expected (Table 9), compared with 73% non-food respondents. Seventy-one percent food respondents also believed that it took them longer than expected to start their businesses, compared with 64% non-food respondents. Interestingly fewer food entrepreneurs in our sample would start another business again (83%) versus non-food entrepreneurs (84%) (Table 10). Over 80% of the total respondents, however, still believed their family would support them in another new venture creation process.

CONCLUSIONS AND IMPLICATIONS

Food entrepreneurs deal with different levels of risks and challenges compared to non-food entrepreneurs. Based on our survey results, all entrepreneurs had similar characteristics and demographics. Our respondents were dominated by male, younger than 50 years of age, white, and with at least some college education. Food entrepreneurs established their businesses in more recent years, located more in urban areas, hired fewer full time employees, and relied on more part time employees. Most of the respondents in both food and non-food businesses had some experiences in operation and management prior to starting their own business. They all agreed to be realistic and optimistic about their business development. They all believed the sales and profits were about the same as they had expected prior to starting the business. A slightly higher percentage of the food entrepreneurs seemed to agree their businesses were up and running well compared to non-food entrepreneurs. All entrepreneurs expected to be happier and financially better off, and the outcomes of the new venture formation seemed to satisfy their situations. More food entrepreneurs thought starting the business was harder and it took longer than they had expected compared to non-food entrepreneurs. And finally, a significant higher percentage of non-food entrepreneurs would start another venture again compare to food entrepreneurs. Fewer food entrepreneurs believed their family members might support them in starting another venture compared to non-food entrepreneurs.

It is reasonable to conclude that food entrepreneurs in our sample seem to have slightly different experiences than non-food entrepreneurs, even though they all had similar entrepreneurial characteristics.

REFERENCES


THE IMPACT OF INDUSTRY CLUSTERS ON THE ECONOMY IN THE UNITED STATES

Terrance Sanchez, Southern University at New Orleans
Adnan Omar. Southern University at New Orleans

ABSTRACT

In the technology industry, people from different companies are trying to find ways of sharing employment, industry, and other characteristics that help strengthen their company. The information technology cluster identified in this study will provide useful information about a regional economy’s strengths and weaknesses.

The research shows an industry can compete around the world provided some of the incentives. Also, the research shows an IT cluster can produce quality innovative personnel for when they join other business companies around the U.S., they can enhance performance and increase efficiency in those areas.

Keywords: Cluster, Silicon, Jobs, Unemployment, Industry, Region.
TEACHING AN OLD DOG NEW TRICKS: A RESEARCH AGENDA FOR “NECESSITY” SENIOR ENTREPRENEURS

Leslie J Vermillion The University of the District of Columbia
Justin Peart St. Thomas University

ABSTRACT

This paper develops several research questions which focus on a relatively new phenomenon, that of senior citizens who have been unemployed for a significant period of time and who have little or no prospects of returning to the work force due either to a lack of marketable skills, age bias, or other issues which put these workers at a competitive disadvantage. We believe that seniors are left to either become self-employed, start a small business, or to permanently be unemployed. Our research focus is on understanding the reasons that seniors may be forced into entrepreneurial activities. Additionally we explore the conceptual basis for developing protocols and resources which may benefit both the senior unemployed and in turn society at large. The paper focuses on understanding the unemployment characteristics of seniors who have failed to reenter the work force, the skill sets they have, the skill sets they will need, and the training that will be necessary to move long term unemployed seniors into self-employment and entrepreneurship.

SENIORS IN THE LABOR MARKET

Since the downturn in the U.S. economy began in the past decade, long term unemployment has increased. (Bureau of Labor Statistics 2011) This has been especially prevalent for so called senior workers. Specifically, workers who are in the age ranges of 55-74 have found that unemployment has lasted close to a year. Table One shows that workers in this age range who became unemployed during 2010 and 2011 have had a mean unemployment duration of over 50 weeks. This compares to workers in their twenties and thirties who have been unemployed for approximately 35 weeks. While the unemployment duration of all groups has increased the older population has been hit especially hard. In an interview published in the online magazine The Beast in August of 2010, Laurie McCann of The American Association or Retired Person’s said, “The number of unemployed older workers has increased by 330 percent over the last 10 years, and many unemployed older workers do not have the option of making a go of it in retirement.” She also noted that although the number of age discrimination lawsuits has increased by 17% during this time, it is likely that most claims do not go reported due in part to the 2009 Supreme Court case that made it much more difficult to explore age discrimination claims. Finally it was said that the majority of age discrimination likely occurs with people who are over fifty.
Several reasons have been advanced that may account for this rise in the level of senior citizens within the ranks of the unemployed. These include the permanent loss of jobs in manufacturing in the first decade of the 21st century, a lack of translatable hi-tech skills that employers perceive are needed within the modern work force, and perhaps age bias against the baby boomer generation (Chan and Huff Stevens, 2001), (Cook, 2010).

Drawing from Cook (2010) and anecdotal data from the authors’ experiences, there is reason to believe that many seniors face uniquely difficult challenges in reentering the work force, despite federal laws which prohibit an older worker being discriminated against due to his or her age. This paper will argue that many of these older workers will experience little chance of returning to positions which approximate their former earnings. These workers face a less certain and less optimistic future than they would have if they had been able to retain their previous jobs. We believe that one solution to this problem is for seniors to venture into the world of self employment or entrepreneurship. These people differ in many respects from those who traditionally become entrepreneurs in their 50’s, 60’s and 70’s.

<table>
<thead>
<tr>
<th>Table One</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration of Unemployment-Mean Duration in Weeks</td>
</tr>
<tr>
<td>Age Group</td>
</tr>
<tr>
<td>20-24</td>
</tr>
<tr>
<td>25-34</td>
</tr>
<tr>
<td>35-44</td>
</tr>
<tr>
<td>45-54</td>
</tr>
<tr>
<td>55-64</td>
</tr>
<tr>
<td>65-69</td>
</tr>
<tr>
<td>70-74</td>
</tr>
</tbody>
</table>


Counterintuitively perhaps, we have seen a rise in entrepreneurial activity among senior citizens during this period. (Stangler 2009) This occurs as business owners continue to operate established firms longer because of continued good health, or the economic downturn poses a greater risk of financial insecurity for the business owner, or the business person encounters problems stepping away from the business because of a lack of buyers for the firm.

A second group of potential senior entrepreneurs is those people who had planned to run a business as part of their retirement. These people tend to be well educated and may bring to the new business relevant skill sets they have developed within their previous careers. Additionally they may possess very strong personal networks with whom they can interact and call on for support. This group is likely to possess strong financial resources and may have been planning to start a business for many years. Termed planned entrepreneurs, they have considered entrepreneurship as a retirement option or as the fulfillment of a long term goal. Many of these people have planned to develop businesses which incorporate the skill sets that they have acquired over the years or as a hobby or passion (Ransom, 2007).

Serviere (2010) noted that there are two different motivations which explain why a person will become an entrepreneur. One is “to take advantage of a perceived opportunity.” The
other reason is one of “necessity.” (Serviere, 2010, pg. 42) Approximately one third of all entrepreneurial startups come from necessity. These so called necessity entrepreneurs are people who are forced into entrepreneurship or self-employment due to economic necessity (Acs, Arrhenius, Hay and Minniti, 2004). Irrespective of the causality driving people towards entrepreneurship, we believe it is likely that most of these people would not choose to venture into the realm of self-employment or entrepreneurship if a viable alternative presented itself.

The focus of this paper is on the group of people who experienced involuntary job loss. As Table One indicates, these people did not volunteer for entrepreneurship. Rather these people fall into the category of forced or necessity entrepreneurs. These people, many of whom are not well educated, were likely working in positions which did not position them well to transfer into self-employment. 

Spencer and Gomez (2004) believe that there is a continuum along which entrepreneurial activities can be viewed. This continuum ranges from very simple forms such as self-employment in relatively simple tasks such as janitorial services to much more complex ventures which might require the raising of large sums of capital and more sophisticated legal structures. It has been noted (Shane, 2009) that the simpler forms of entrepreneurship such as self-employment do not generate additional jobs. Wong, Ho, and Autio (2005) noted that job growth occurs primarily when a small business grows quickly, which likely occurs as a result of or as a byproduct of technological innovation. Given that job creation has been moribund in the United States and elsewhere for the past several years, we believe that it is reasonable to consider how, if possible, a senior employee who has been channeled into entrepreneurship out of necessity may be encouraged to move towards a more complex and technologically innovative form of business. We believe that the benefits of this shift could be significant both to the former senior employee and to the economy as a whole.

Henley (2005) found that three factors significantly and positively impacted job creation by small business. These were educational level, the background of the entrepreneur’s parents and the housing wealth of the individual starting the entrepreneurial business. Given that unemployment at all age levels is primarily split into the educated and less educated with the less educated suffering a higher rate of unemployment and staying unemployed longer (Riddell and Song, 2011), it follows that those people who fall into this category may benefit most from training or career guidance which focuses on bridging the gap between the entrepreneurial abilities they possess and those that are needed to develop job creating firms.

Again, according to Henley (2005) housing value has been a major driver of job creation. Before the housing crash a person’s home equity was a major source of financing for start up businesses. We believe that this is one reason a number of seniors have been able to start businesses successfully; until recently they had a reservoir of low cost capital at their disposal. However with the crash of the U.S. housing market in the first decade of this century housing values have dropped (Nakajima, 2011). There is therefore less available capital at an individual level to fund business startups that can create new jobs beyond self-employment. For unemployed individuals to create jobs some additional and relatively secure sources of cash will need to be developed.
Our focus is to develop a research agenda that will enable us to understand whether it is possible for the senior “necessity” unemployed to transition into a job creating role. If not, is it better to focus on developing skills which enable them to become more adept at self-employment? Additionally, can a “necessity” unemployed senior be motivated and trained to translate their employment skills into businesses that have less tedious entry requirements than those that develop external employment?

We believe that there are five areas which warrant further research in this area. We have not yet found research which has looked at the long term employment histories of those people who have had careers in manufacturing or other sectors that have lost those jobs which certainly appear not to be coming back. We believe that our future research must begin with a review of those people who have been unemployed for significant lengths of time and have not returned to their previous employment. To go forward we need to establish a baseline upon which to build. Therefore our first research question is:

**RQ 1:** A review of unemployment information to find out, if possible, what kinds of jobs are the long term senior unemployed going to eventually. Do they remain unemployed after their unemployment benefits lapse? Are they being hired by other firms, are they self-employed, or are they going into more sophisticated forms of entrepreneurship?

If, as we believe likely, one issue that employers have with seniors is that they have outdated technological skill sets. Then our second research objective will be to understand the specific skills seniors can develop that will enable them to both be more competitive in the employment marketplace and to successfully transition to either self-employment or some more advanced form of entrepreneurial activity, our second research question is:

**RQ 2:** What specific skills correlate with each type of outcome listed in RQ 1 above?

We believe that job creation is key to a higher standard of living. As such moving seniors from self-employment into the creation of innovative businesses which do create jobs is important to the overall economic health of the U.S. It is not at all clear that senior necessity entrepreneurs can make this transition. Therefore our third research question is:

**RQ 3:** Is it possible to move a person who has the necessity of being an entrepreneur to a level beyond that of self-employment?

If it is demonstrated that seniors can make the transition discussed previously then it follows that we should attempt to find skill sets that are useful in this endeavor: Our fourth research question is:

**RQ 4:** What kinds of educational or career development skills are likely to advance a senior forced into the ranks of the unemployed to transition from self-employment into the next level of entrepreneurship?
Ultimately we need to model these processes in order to develop a long term set of interventions which may positively impact government and private sector policy in this area. Our fifth research question is:

RQ 5: Is it possible to model the process by which senior necessity entrepreneurs move into the business world from long term unemployment?

REFERENCES


RELATIONSHIPS BETWEEN PERSONALITY CONSTRUCTS AND ENTREPRENEURIAL INTENTIONS

J. K. Osiri, Washington State University-Pullman and Institute for the Advancement of Developing Economies
Kenneth Kungu, Tennessee State University
Leon C. Prieto, Savannah State University

ABSTRACT

This study assesses the relationships between some personality characteristics, specifically self-directed learning readiness, proactive personality, and entrepreneurial intentions of undergraduate students enrolled at a U.S. university in the Northwest. Getting students to take a self-directed approach to learning and to desire to become entrepreneurs is a desirable outcome of any university because it would certainly contribute to students’ success post-graduation. Therefore, it is important for universities to assess the extent to which students report these personality characteristics and to develop strategies to inculcate these characteristics in students. Based on the responses of a carefully selected undergraduate student population, we examined how these constructs interact with each other. Preliminary results confirm that people with proactive personalities are likely to become entrepreneurs. We further posited that proactive people tend to be self-directed learners and that self-directed learners would likely have entrepreneurial intentions. The study contributes to our understanding of the relationship between proactive personality, self-directed learning readiness and entrepreneurial intentions.
THE ROLE OF LOGOS IN BRAND AWARENESS: IMPLICATIONS FOR ENTREPRENEURS

Tulay Girard, Penn State Altoona
M. Meral Anitsal, Tennessee Tech University
Ismet Anitsal, Tennessee Tech University

ABSTRACT

Firms spend great amounts of their marketing budget because of the importance of logos in consumer sentiments (positive or negative attitudes) and in building brand awareness. A logo is an important part of a brand as it signals brand’s character and image. Brand logos are seen on many marketing communication including packaging, labels, promotion materials, advertisements, employee uniforms, distribution trucks, letterheads and business cards. Despite its importance, the number of empirical research on the added value of logos is very limited. The impact of a logo’s added value through its associations with brand awareness, consumer sentiments of a brand’s logo, likelihood of brand purchase, and the organization’s performance has still not been researched in the literature. Investigating the associations between a brand and its logo became critical as the brands have become more similar and struggle to gain unique associations in the presence of strong competitors. As the prior research indicates, brands are focusing on trivial attributes for unique brand associations and losing the core value of the brand. Logos play an important role in eliciting stronger associations than mere attributes and help differentiate the firm in the presence of strong competitors.

In this conceptual paper, authors develop a model that examines whether: (1) brand/logo awareness; (2) prior consumer shopping experience with a retailer; (3) consumer sentiments of logos, and (4) consumer shopping intentions significantly and positively associated with the performance. This model will allow researchers to assess the relative weight of service brand awareness and prior shopping experiences on logo associations and purchase intentions which are leading to the overall performance. The significance and implications of this study for entrepreneurs are also discussed.