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# **Proceedings of the Academy of Free Enterprise Education**

**October 12-15, 1999  
Las Vegas, Nevada**

**Jo Ann and Jim Carland  
Co-Editors  
Western Carolina University**

**The Proceedings of the  
Academy of Free Enterprise Education  
are published by the  
Allied Academies, Inc., PO Box 2689, Cullowhee, NC, 28723.**

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# SMALL BUSINESS DEVELOPMENT USING THE BALANCED SCORECARD AND THE CLUSTERING PROCESS

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## ABSTRACT

*This paper examines two controversial business concepts, clustering and the balanced scorecard, and explores how one can strengthen the other to improve small business performance. Both are related to business strategy. Clustering is a strategy of inter-firm cooperation or networking that helps a group of firms overcome their growth constraints and access markets otherwise impenetrable. The balanced scorecard can be applied internally to help individual organizations exert strategic control and overcome poor performance. Clustering is a theoretical framework which contributes to a better understanding of industrialization in developing countries. Recent international literature on economic development provides considerable evidence that clustering can help small enterprises overcome growth constraints. In the early stages of industrial development small firms in an industry may band together by sharing information, technology and know how, and at a later stage develop external markets for their products- The balanced scorecard provides a tool for breaking away from the traditional accounting based control. Managers in both large and small firms have long realized financial data is an inadequate measure of overall performance. It is used as a means to gain a consistent alignment between an organization's strategic vision and the tactical execution of its operations. The balanced scorecard is a technique for providing balanced control and results in four areas: financial, customer satisfaction, operational processes and organizational learning and development.*

*The paper is organized into four sections. The first section describes clustering and how it contributes to the industrialization of a developing country. The second section describes how a balanced scorecard is created and how it is used to support strategy. The third section presents a case study of how clustering is currently being used to help overcome growth barriers and the problems associated with implementing this type of networking in a developing country. The final section builds on previous parts of the paper. An example of a balanced scorecard is presented to illustrate how the technique can be used to overcome the weaknesses demonstrated in the case study and strengthen strategies at both the individual and collective levels.*

# USING AN INTERNATIONAL NETWORK TO TEACH ENTREPRENEURSHIP TO MIDDLE SCHOOL STUDENTS

**Chris Ragain, Director Young Entrepreneurs Association  
Robert L. Wyatt, Ph.D., Drury College**

## ABSTRACT

*The economic education of America's youth is of significant importance to educators everywhere. Traditional efforts to provide this education (e.g., Junior Achievement for elementary grades or High school economics courses) have neglected the middle school market, i.e., six to eighth graders. This is surprising, especially given the receptivity of these students to Practical curriculum instruction. Mariotti (1995), believes business-related lessons are far more effective and well-received than traditional lessons, claiming 'practical' economic training is the only kind of education with a chance of leading to self-improvement. Sautter (1996) agrees, urging this type of instruction, thus preventing students from rejecting the world of the school which seems to have so little relevance to their real lives.*

*This paper presents the results of a two year project designed to formulate a curriculum and strategy for improving free enterprise education among middle-school students. Specifically, this paper outlines an organization developed by a group of 35 college students comprising a Students in Free Enterprise (SIFE) team to spark an interest in entrepreneurship and free enterprise. Young Entrepreneurs Association (YEA!) is a worldwide network of middle school students and teachers dedicated to providing educational material and other resources (activity ideas, supplemental worksheets, etc) about free enterprise, market economics, the world of business, and entrepreneurship.*

*Specific examples of curriculum and material used in the program are provided, along with justification for its inclusion. Results of pre and post testing from some of the more than 200 middle school classrooms involved in the organization indicate that student knowledge increased in the each area covered in the curriculum. Initial results are indeed encouraging, causing the editor to proclaim that YEA! is the wave of the future in economic education (Lesonsky 1999). Examples of assessment instruments are also illustrated in the paper, along with corresponding learning outcomes. Additionally, possible extensions of this exciting, effective method to teach younger students about free enterprise are provided, as are plans for the first international competition for middle school entrepreneurship.*

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