

BRIEF CONTENTS

SECTION I	THE CHALLENGE OF ENTREPRENEURSHIP	I
Chapter 1	<i>The Foundations of Entrepreneurship</i>	1
Chapter 2	<i>Inside the Entrepreneurial Mind: From Ideas to Reality</i>	34
SECTION II	BUILDING THE BUSINESS PLAN: BEGINNING CONSIDERATIONS	67
Chapter 3	<i>Strategic Management and the Entrepreneur</i>	67
Chapter 4	<i>Forms of Business Ownership and Franchising</i>	99
Chapter 5	<i>Buying an Existing Business</i>	139
SECTION III	BUILDING THE BUSINESS PLAN: MARKETING CONSIDERATIONS	173
Chapter 6	<i>Building a Powerful Marketing Plan</i>	173
Chapter 7	<i>E-Commerce and the Entrepreneur</i>	212
Chapter 8	<i>Integrated Marketing Communications and Pricing Strategies</i>	247
SECTION IV	BUILDING THE BUSINESS PLAN: FINANCIAL CONSIDERATIONS	293
Chapter 9	<i>Managing Cash Flow</i>	293
Chapter 10	<i>Creating a Successful Financial Plan</i>	323
Chapter 11	<i>Crafting a Winning Business Plan</i>	358
SECTION V	PUTTING THE PLAN TO WORK: BUILDING A COMPETITIVE EDGE	381
Chapter 12	<i>Sources of Financing: Debt and Equity</i>	381
Chapter 13	<i>Choosing the Right Location and Layout</i>	425
Chapter 14	<i>Global Aspects of Entrepreneurship</i>	463
Chapter 15	<i>Leading the Growing Company and Planning for Management Succession</i>	486

CONTENTS

Preface xi

SECTION I THE CHALLENGE OF ENTREPRENEURSHIP I

- Chapter 1** *The Foundations of Entrepreneurship* 1
- The World of the Entrepreneur 2
 - What Is an Entrepreneur? 3
 - The Benefits of Entrepreneurship 6
 - The Potential Drawbacks of Entrepreneurship 7
 - Behind the Boom: What's Feeding the Entrepreneurial Fire? 11
 - The Cultural Diversity of Entrepreneurship 14
 - The Power of "Small" Business 21
 - The 10 Deadly Mistakes of Entrepreneurship 22
 - Putting Failure into Perspective 29
 - How to Avoid the Pitfalls 28
 - Chapter Summary 30
 - Discussion Questions 31
 - Beyond the Classroom . . . 33
- Chapter 2** *Inside the Entrepreneurial Mind: From Ideas to Reality* 34
- Creativity, Innovation, and Entrepreneurship 35
 - Creativity—A Necessity for Survival 37
 - Creative Thinking 39
 - Barriers to Creativity 42
 - How to Enhance Creativity 45
 - The Creative Process 50
 - Techniques for Improving the Creative Process 54
 - Protecting Your Ideas 58
 - Chapter Summary 62
 - Discussion Questions 63
 - Beyond the Classroom . . . 65

SECTION II BUILDING THE BUSINESS PLAN: BEGINNING CONSIDERATIONS 67

- Chapter 3** *Strategic Management and the Entrepreneur* 67
- Building a Competitive Advantage 69
 - The Strategic Management Process 71
 - Conclusion 93
 - Chapter Summary 93
 - Discussion Questions 94
 - Beyond the Classroom . . . 96
- Chapter 4** *Forms of Business Ownership and Franchising* 99
- The Sole Proprietorship 100
 - The Partnership 103
 - Corporations 108
 - Other Forms of Ownership 111
 - Franchising 116
 - Types of Franchising 118
 - The Benefits of Buying a Franchise 118
 - The Drawbacks of Buying a Franchise 122

	Franchising and the Law	124
	The <i>Right</i> Way to Buy a Franchise	126
	Trends Shaping Franchising	130
	Conclusion	134
	Chapter Summary	134
	Discussion Questions	135
	Beyond the Classroom . . .	136
	Appendix A	137
Chapter 5	<i>Buying an Existing Business</i>	139
	Buying an Existing Business	140
	The Steps in Acquiring a Business	144
	Evaluating an Existing Business—The Due Diligence Process	147
	Methods for Determining the Value of a Business	156
	Understanding the Seller's Side	164
	Negotiating the Deal	167
	Chapter Summary	169
	Discussion Questions	170
	Beyond the Classroom . . .	171
<hr/>		
SECTION III	BUILDING THE BUSINESS PLAN: MARKETING CONSIDERATIONS	173
Chapter 6	<i>Building a Powerful Marketing Plan</i>	173
	Building a Guerrilla Marketing Plan	174
	Pinpointing the Target Market	175
	Determining Customer Needs and Wants Through Market Research	177
	Plotting a Guerrilla Marketing Strategy: How to Build a Competitive Edge	182
	Marketing on the World Wide Web	201
	The Marketing Mix	204
	Chapter Summary	207
	Discussion Questions	208
	Beyond the Classroom . . .	211
Chapter 7	<i>E-Commerce and the Entrepreneur</i>	212
	Benefits of Selling on the Web	214
	Factors to Consider Before Launching into E-Commerce	216
	12 Myths of E-Commerce	218
	Approaches to E-Commerce	225
	Strategies for E-Success	227
	Designing a Killer Web Site	233
	Tracking Web Results	239
	Ensuring Web Privacy and Security	241
	Chapter Summary	244
	Discussion Questions	246
	Beyond the Classroom . . .	246
Chapter 8	<i>Integrated Marketing Communications and Pricing Strategies</i>	247
	The Basics of a Marketing Communications Plan	248
	The Operational Elements of a Marketing Communications Plan	250
	Selecting Advertising Media	256
	Preparing an Advertising Budget	271
	Advertise Big on a Small Budget	274

Pricing: A Creative Blend of Art and Science	276
Pricing Strategies and Tactics	279
Pricing Strategies and Methods for Retailers	282
Pricing Concepts for Manufacturers	284
Pricing Strategies and Methods for Service Firms	287
The Impact of Credit on Pricing	288
Chapter Summary	290
Discussion Questions	291
Beyond the Classroom . . .	292

SECTION IV BUILDING THE BUSINESS PLAN: FINANCIAL CONSIDERATIONS 293

Chapter 9 <i>Managing Cash Flow</i>	293
Cash Management	294
Cash and Profits Are Not the Same	297
The Cash Budget	298
Preparing a Cash Budget	298
The "Big Three" of Cash Management	307
Avoiding the Cash Crunch	315
Conclusion	320
Chapter Summary	320
Discussion Questions	321
Beyond the Classroom . . .	322
Chapter 10 <i>Creating a Successful Financial Plan</i>	323
Basic Financial Statements	324
Creating Projected Financial Statements	327
Ratio Analysis	333
Interpreting Business Ratios	344
Break-Even Analysis	350
Chapter Summary	356
Discussion Questions	356
Beyond the Classroom . . .	357
Chapter 11 <i>Crafting a Winning Business Plan</i>	358
Why Develop a Business Plan?	359
The Elements of a Business Plan	361
Making the Business Plan Presentation	371
What Lenders and Investors Look for in a Business Plan	372
Conclusion	375
Business Plan Format	375
Chapter Summary	378
Discussion Questions	379
Beyond the Classroom . . .	380

SECTION V PUTTING THE BUSINESS PLAN TO WORK: BUILDING A COMPETITIVE EDGE 381

Chapter 12 <i>Sources of Financing: Debt and Equity</i>	381
Planning for Capital Needs	383
Equity Capital Versus Debt Capital	384
Sources of Equity Financing	385
The Nature of Debt Financing	403

Federally Sponsored Programs	412
Small Business Administration (SBA)	415
State and Local Loan Development Programs	419
Internal Methods of Financing	419
Chapter Summary	421
Discussion Questions	423
Beyond the Classroom . . .	424
Chapter 13 Choosing the Right Location and Layout	425
Location: A Source of Competitive Advantage	426
Location Criteria for Retail and Service Businesses	435
Location Options for Retail and Service Businesses	439
The Location Decision for Manufacturers	442
Layout and Design Considerations	445
Layout: Maximizing Revenues, Increasing Efficiency, and Reducing Costs	450
Build, Buy, or Lease?	459
Chapter Summary	460
Discussion Questions	461
Beyond the Classroom . . .	462
Chapter 14 Global Aspects of Entrepreneurship	463
Why Go Global?	464
Strategies for Going Global	466
Exporting	472
Barriers to International Trade	478
International Trade Agreements	481
Conclusion	483
Chapter Summary	484
Discussion Questions	485
Beyond the Classroom . . .	485
Chapter 15 Leading the Growing Company and Planning for Management Succession	486
Leadership in the New Economy	487
Hiring the Right Employees	490
Building the Right Organizational Culture and Structure	496
The Challenge of Motivating Workers	506
Management Succession: Passing the Torch of Leadership	520
Chapter Summary	525
Discussion Questions	526
Beyond the Classroom . . .	527
Appendix	529
End Notes	549
Index	563