

ENTREPRENEURSHIP EXPERIENTIAL EDUCATION TEACHING CASE: THE \$20 BUSINESS EXERCISE

Ron Duggins - University of Central Arkansas

Dan Fisher - University of Central Arkansas

CASE DESCRIPTION

The subject matter of this case concerns experiential education methods in teaching entrepreneurship. It provides students real world experience in a very brief time in many aspects of the startup process. It is not intended to provide a complete entrepreneurial experience, but rather “throws the learner into the pool” to force them to swim. The exercise has a difficulty level of one (freshman) through six (second year graduate) and is best used with students who are beginning to learn about entrepreneurship. The exercise has been effectively used in classes such as New Product Development, New Venture Creation, and Fundamentals of Entrepreneurship. It is also applicable to high school entrepreneurship camps and/or classes. The exercise occurs over a 4 to 5 week period and the work is generally done outside of class. The amount of time for the students varies greatly depending on the size of the student teams (if there is a team) and the level of commitment on the part of the students.

CASE SYNOPSIS

*Scott Berkun, in his book, *The Myths Of Innovation*, says “However, it’s often not until people try their own hands at innovation or entrepreneurship that they see past the romance and recognize the challenges for what they are.” This statement represents the heart of the \$20 Business Assignment. This case involves throwing the students into the pool of entrepreneurship to in order to bring a bit of reality and hands on experience to entrepreneurship classes. It quickly moves the students to action and accelerates entrepreneurial learning. One of the challenges of teaching entrepreneurship is moving the students from a point of learners and knowers to that of doers. The goals of this exercise are as follows:*

- *To highlight the importance of problems and opportunities in entrepreneurship.*
- *To force students to make their ideas tangible.*
- *To market quickly and cheaply.*
- *To use constraints to promote creativity and resourcefulness.*
- *To make the lean startup process real.*
- *To separate ideas about entrepreneurship from the reality of entrepreneurship.*
- *To develop presentation and pitching skills.*
- *For students to gain insights about themselves.*

This is a fun and fast-paced activity that is challenging yet not “life or death” in terms of startup failure. It requires the students to reach within themselves and utilize their resources and resourcefulness. Students become highly engaged in the process and because there is a time limit, the students learn to use the constraints to their advantage. The exercise ends with a pitch of the

\$20 Businesses where classmates ask questions and provide feedback. The \$20 business activity can also be integrated into other opportunities by preparing students to participate in local 60-second pitch competitions, enter their \$20 business ideas into project competitions within schools of business, or modifying the exercise to include use of a makerspace if available.

CASE BODY

In this Experiential Teaching Exercise the student will start a business with only \$20 to discover, build, and market an idea in around one month's time. Students are required to identify a problem/opportunity, create a solution, and market and sell the product/service within a four-week timeframe.

Assignment Parameters

Timeframe: 4 weeks

Students will have four weeks to determine a business idea, develop a product/service, and market the product/service in order to make as much revenue as possible.

Team Formation or Individuals

Students may be divided into teams or pursue the exercise on their own.

Capital: \$20

Students can invest no more than \$20 total to get the idea off the ground. If students work on teams the budget remains \$20 total, not \$20 per person. Students can reinvest any profits they make back into the company, but the guidelines state that they can invest no more than \$20 to start.

Pitch

At the end of the four weeks, students will be assigned a day and time to pitch and discuss the results of their \$20 Business Project. Students will be notified of the amount of time and any content requirements necessary for the pitch.

Written Assignment (Optional)

Students will individually write a Startup Whitepaper. It is a formal document, not a printout of the final presentation. The Startup Whitepaper will utilize data that will be in the presentation, but it is written in paragraph and narrative form, not in bullet points. Imagine if one were unable to attend a student's presentation, think about what kind of information would need to be in this document so that others can have a clear understanding of the \$20 Business and the student's process and insights. Provide information on the following sections.

- Business idea and why you chose it
- A detail of your product/service
- Customer focus
- Your marketing strategy
- A discussion of the economics of the business with basic financials included
- Your major challenges
- Your 3 biggest insights about entrepreneurship
- Your biggest insight about you

Technical Rules

- Your business cannot involve alcohol
- If you sell food you must abide by local/state Cottage Food/Health Department laws (if applicable)