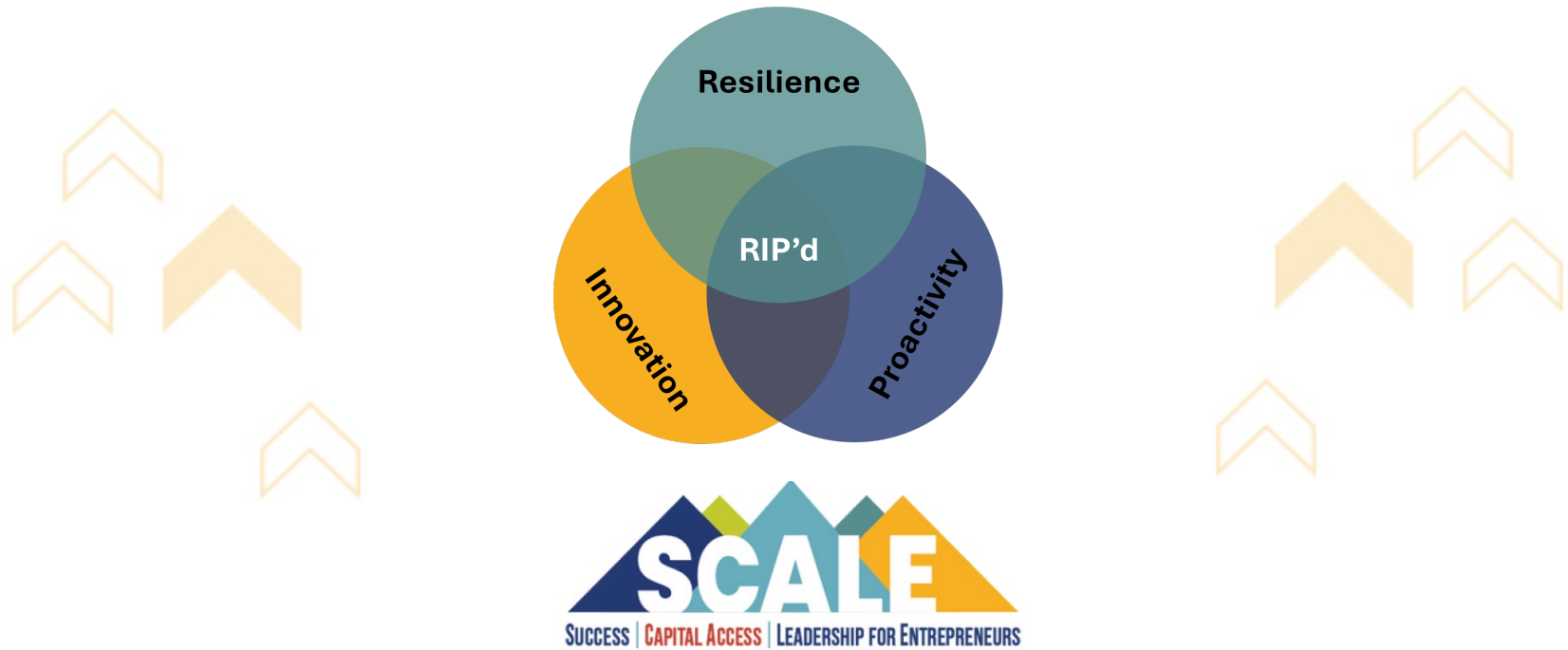


Entrepreneurial Mindset Training for Entrepreneurs

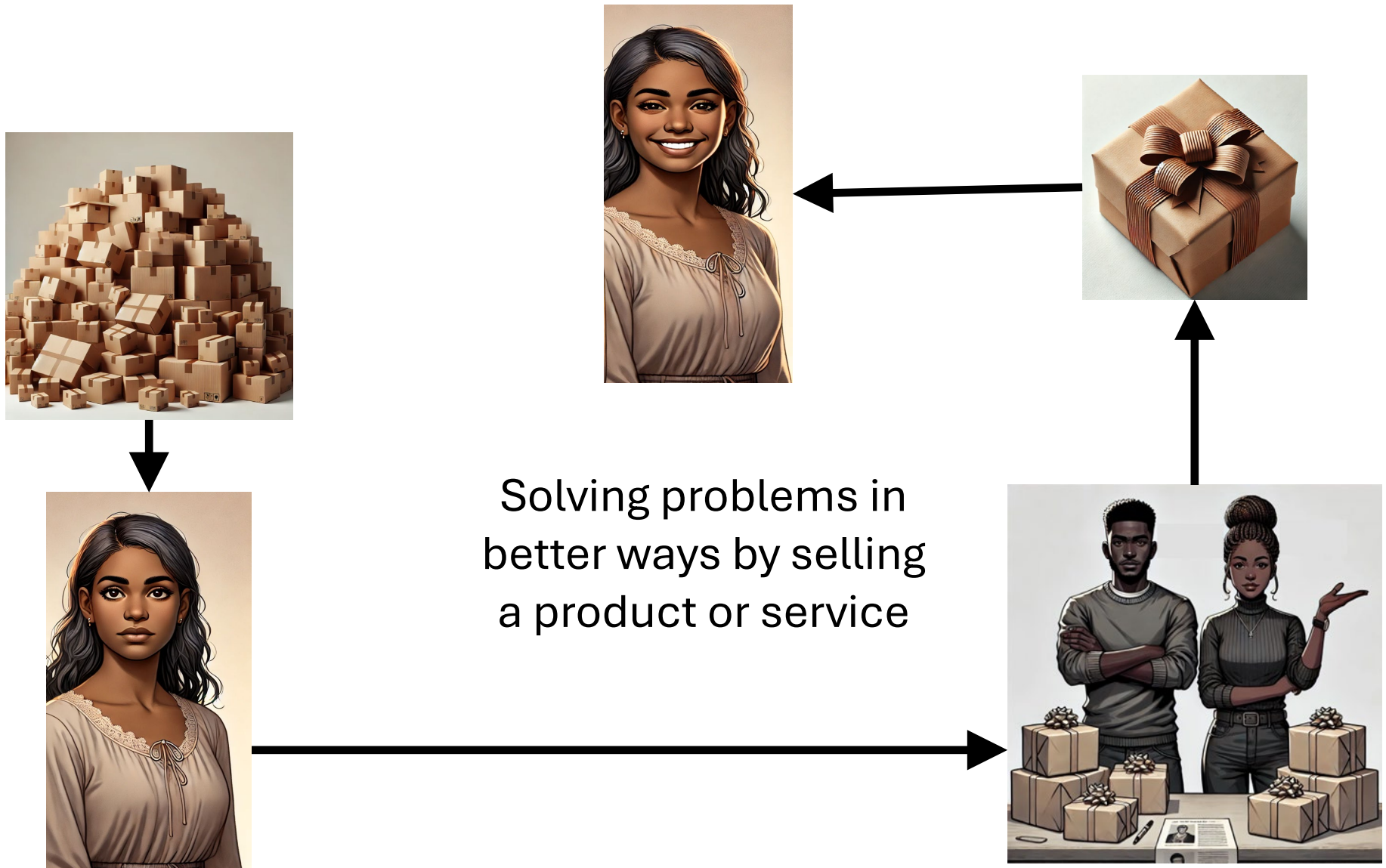


REACH Hub

Resources for Entrepreneurship Advising & Coaching



What is entrepreneurship?



What is this training?

This training is a way to help **new and existing entrepreneurs** to be more effective by practicing simple yet difficult exercises.

This training is based upon **scientific evidence** about what works to help entrepreneurs.*

*See Gielnik, M. M., & Glosenberger, A. (2025). An extended active learning framework of entrepreneurship education and training. *Foundations and Trends in Entrepreneurship*, 21(8), 500–590. DOI: 10.1561/0300000120.
In particular, this training was inspired by “Personal Initiative” training by Dr. Michael Frese.

Important notes

**THROUGHOUT THIS
TRAINING PAY CLOSE
ATTENTION TO
MESSAGES THAT LOOK
LIKE THIS, THEY ARE
ESPECIALLY IMPORTANT
LESSONS**

Why is this called a training?



**THIS IS NOT A CLASS TO
JUST SIT AND LEARN,
THIS IS A TRAINING, YOU
WILL LEARN SIMPLE
LESSONS – BUT MORE
IMPORTANTLY, YOU WILL
NEED TO PRACTICE
THEM AND WORK HARD
USING THESE LESSONS
IN YOUR DAILY LIFE**

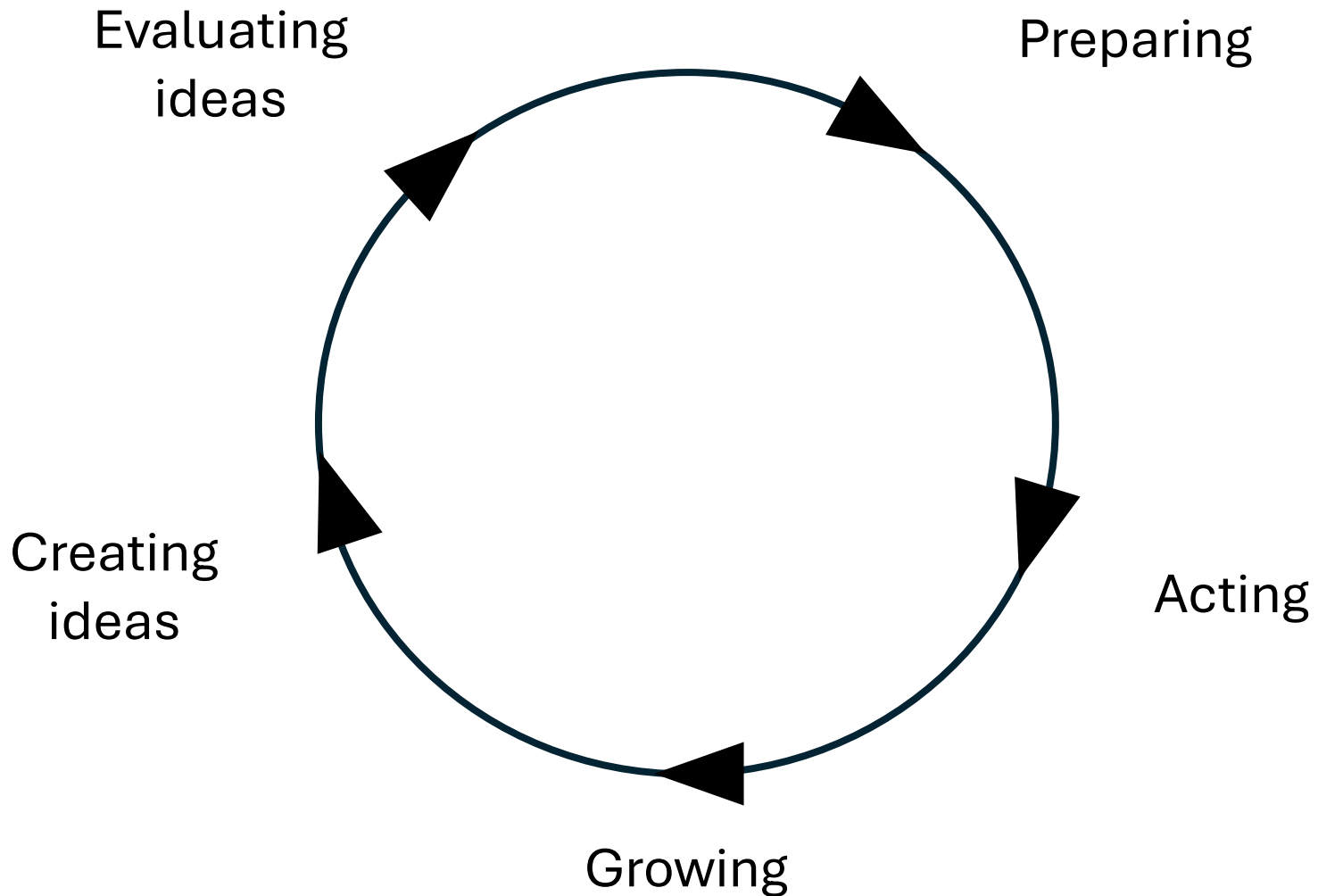
What will we learn in this training?

1. The entrepreneur's process and mindset
2. Creating ideas
3. Evaluating ideas
4. Preparing
5. Acting
6. Growing

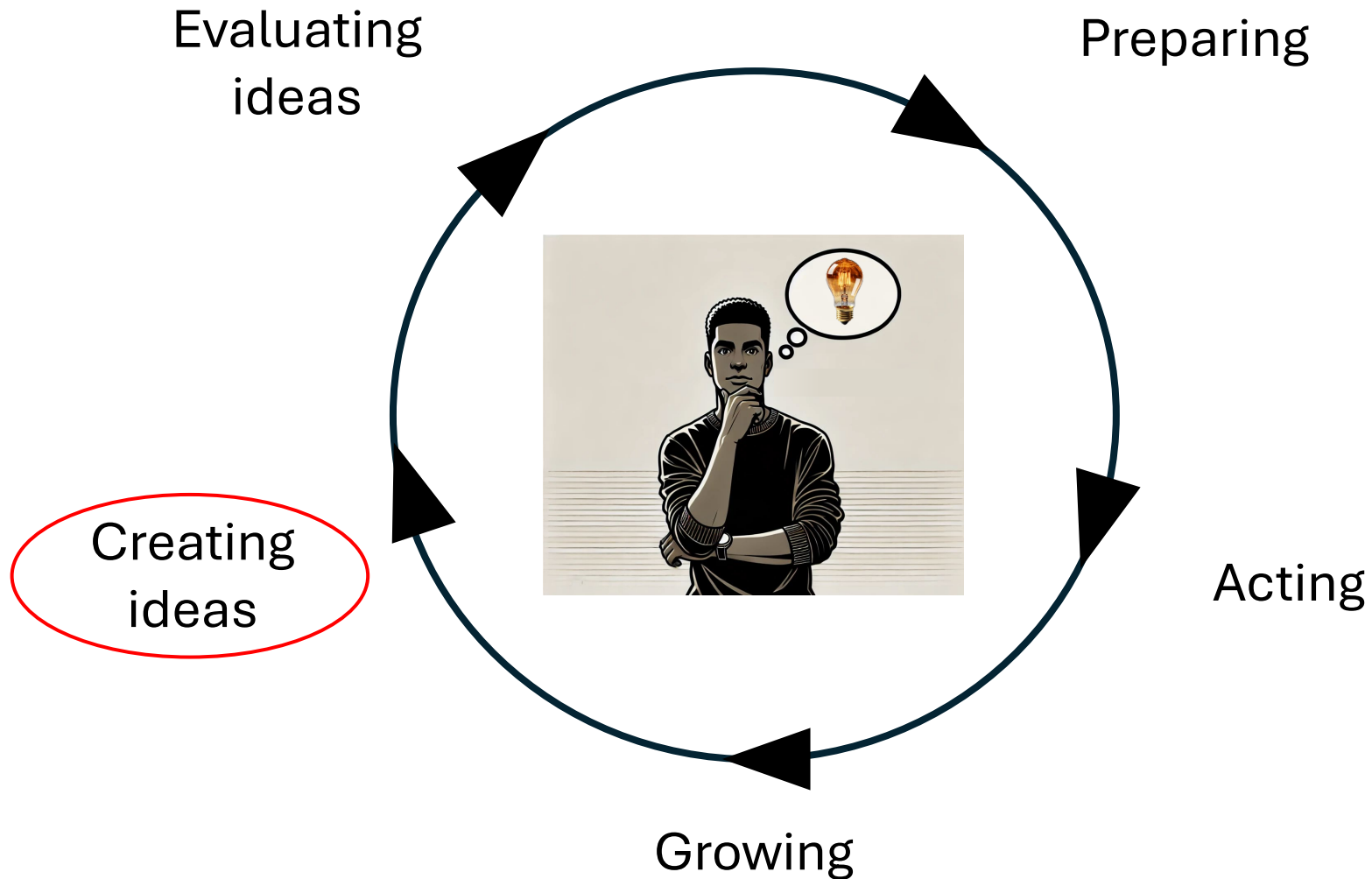
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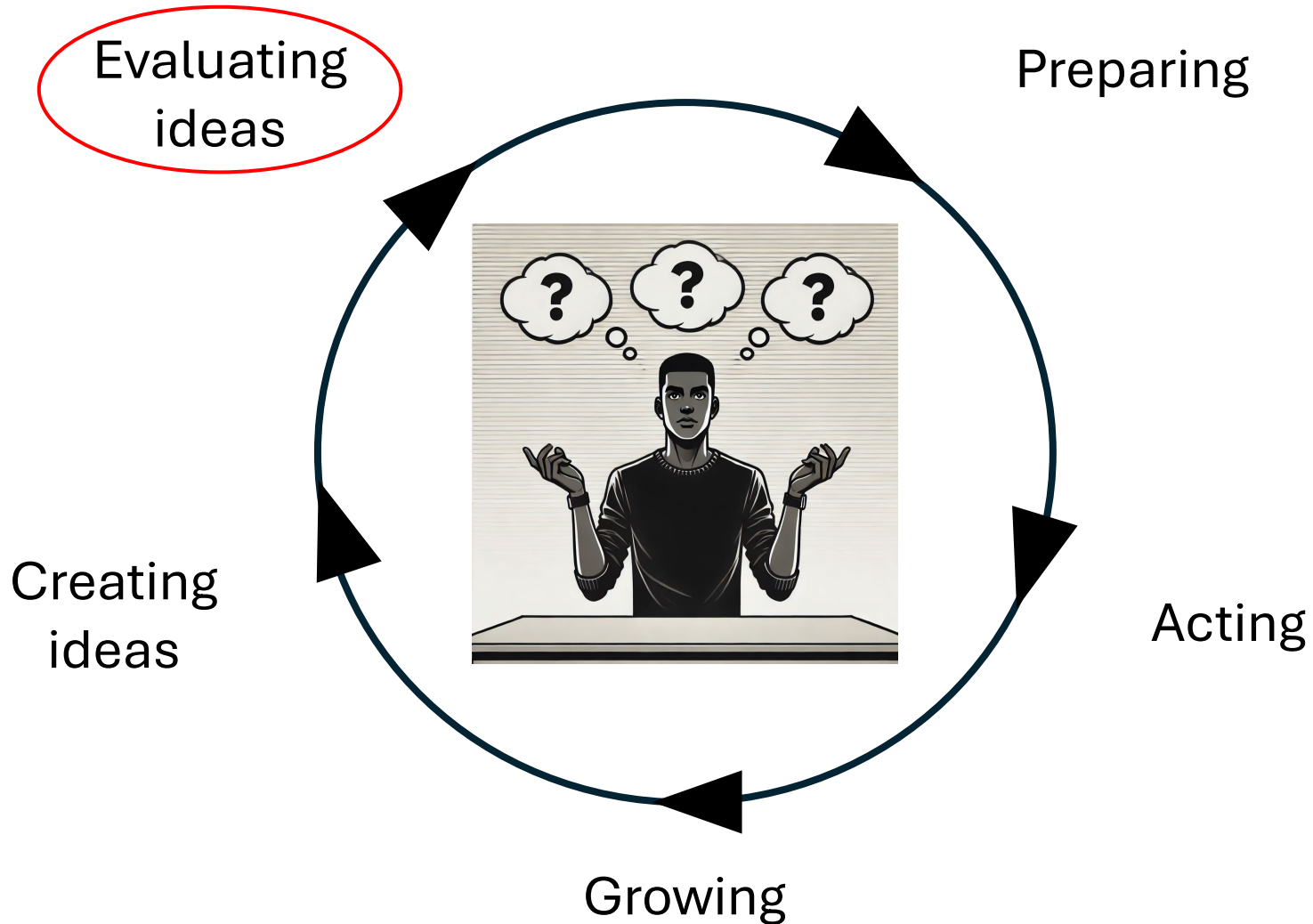
Entrepreneurial process



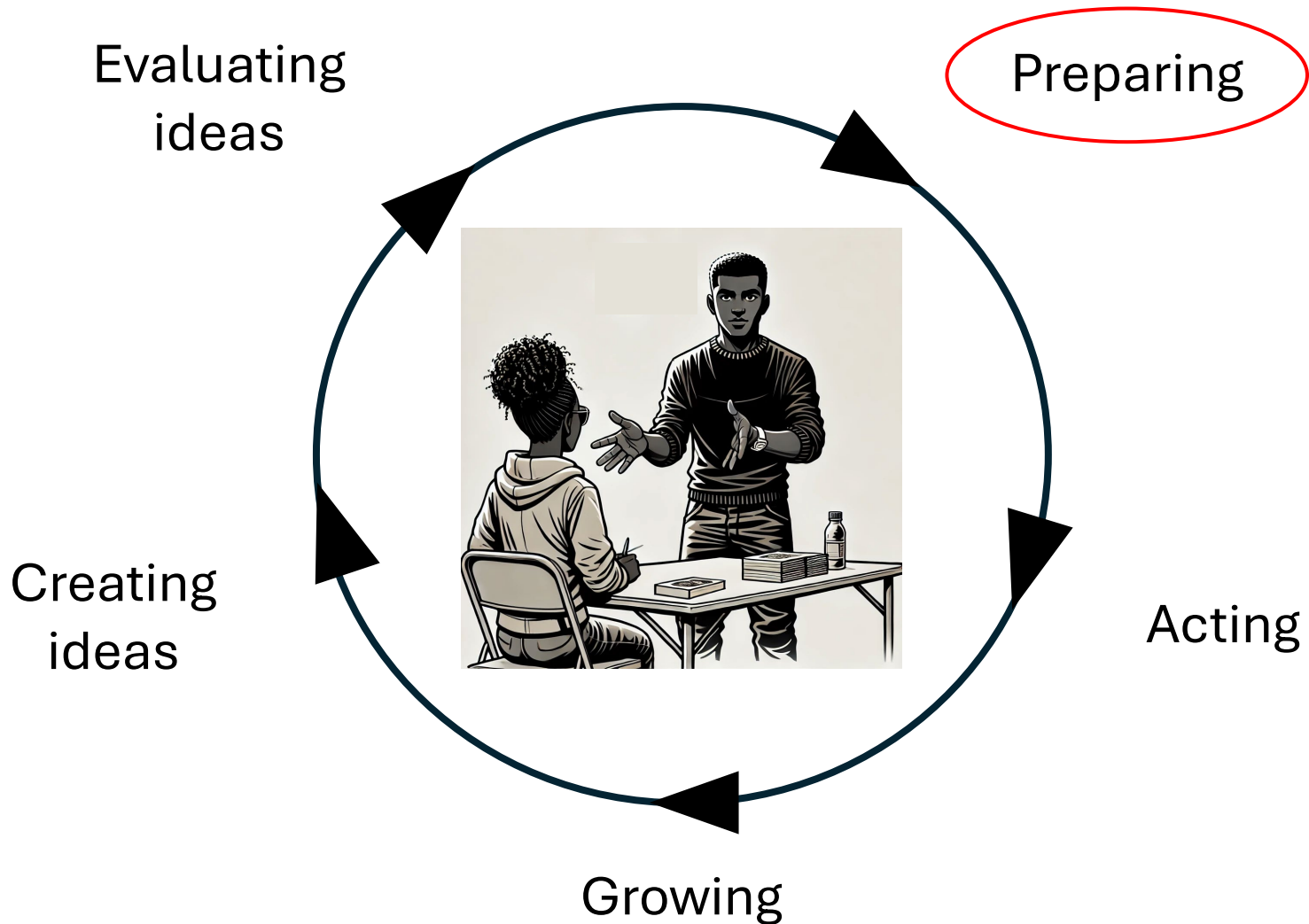
Entrepreneurial process



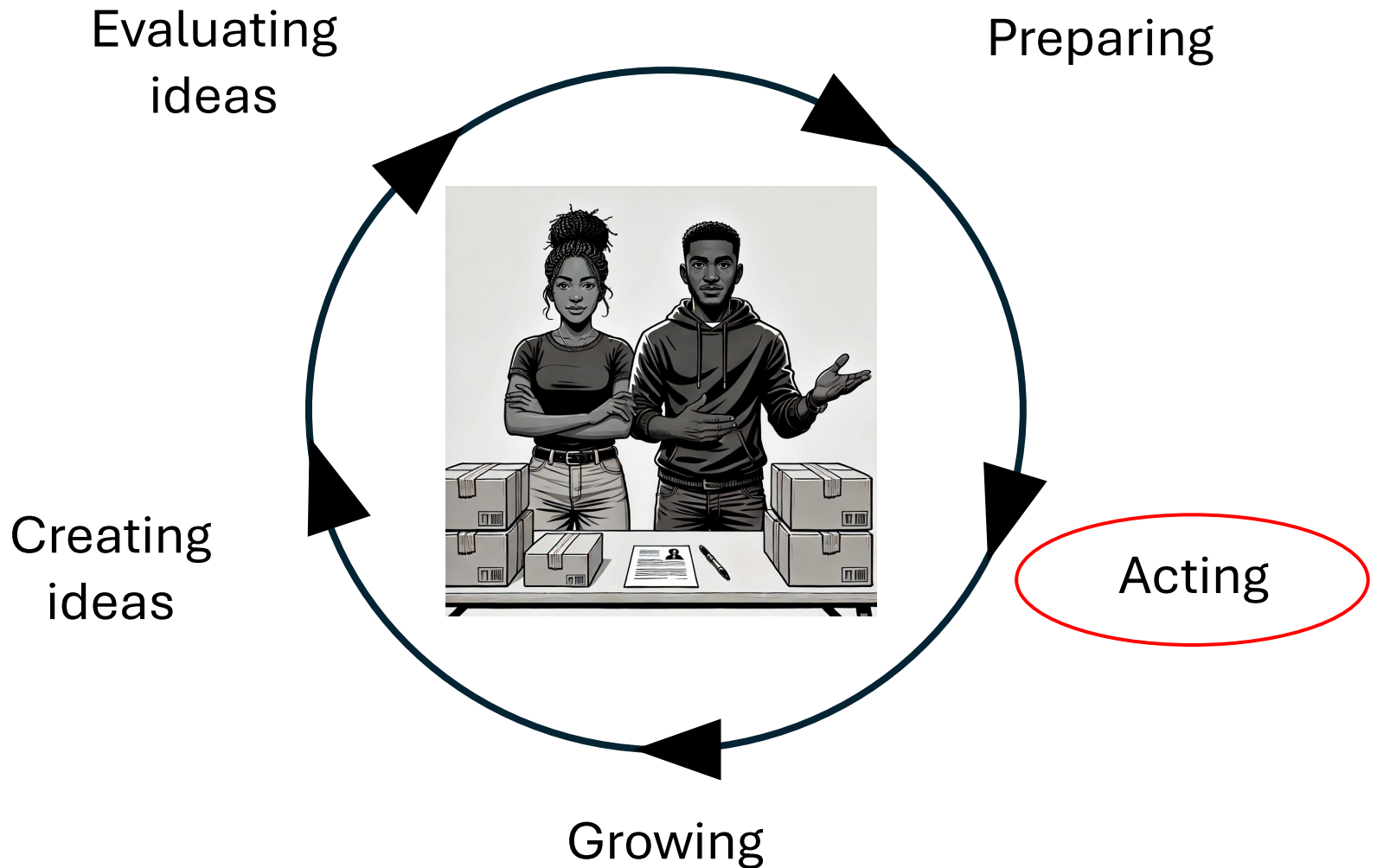
Entrepreneurial process



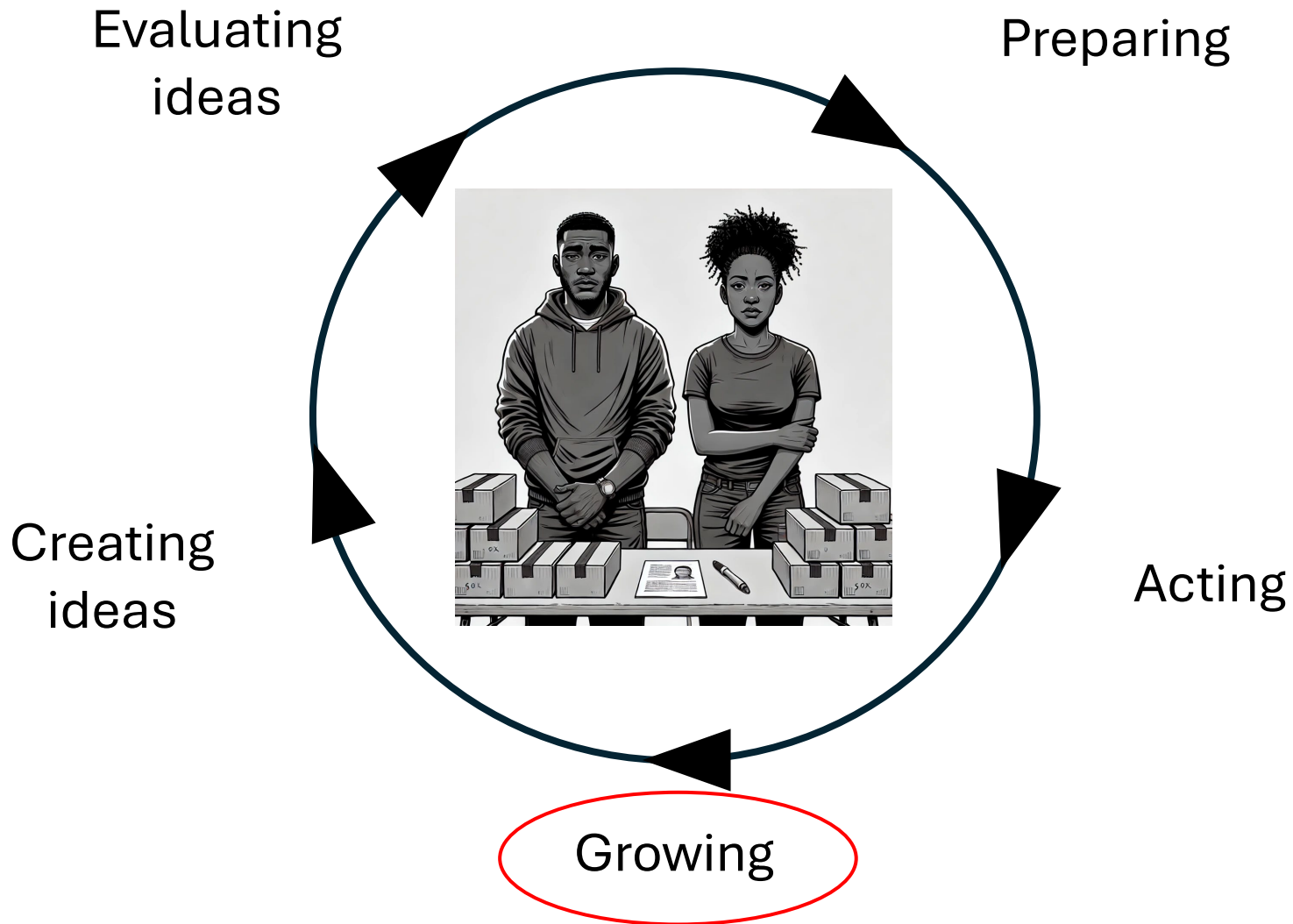
Entrepreneurial process



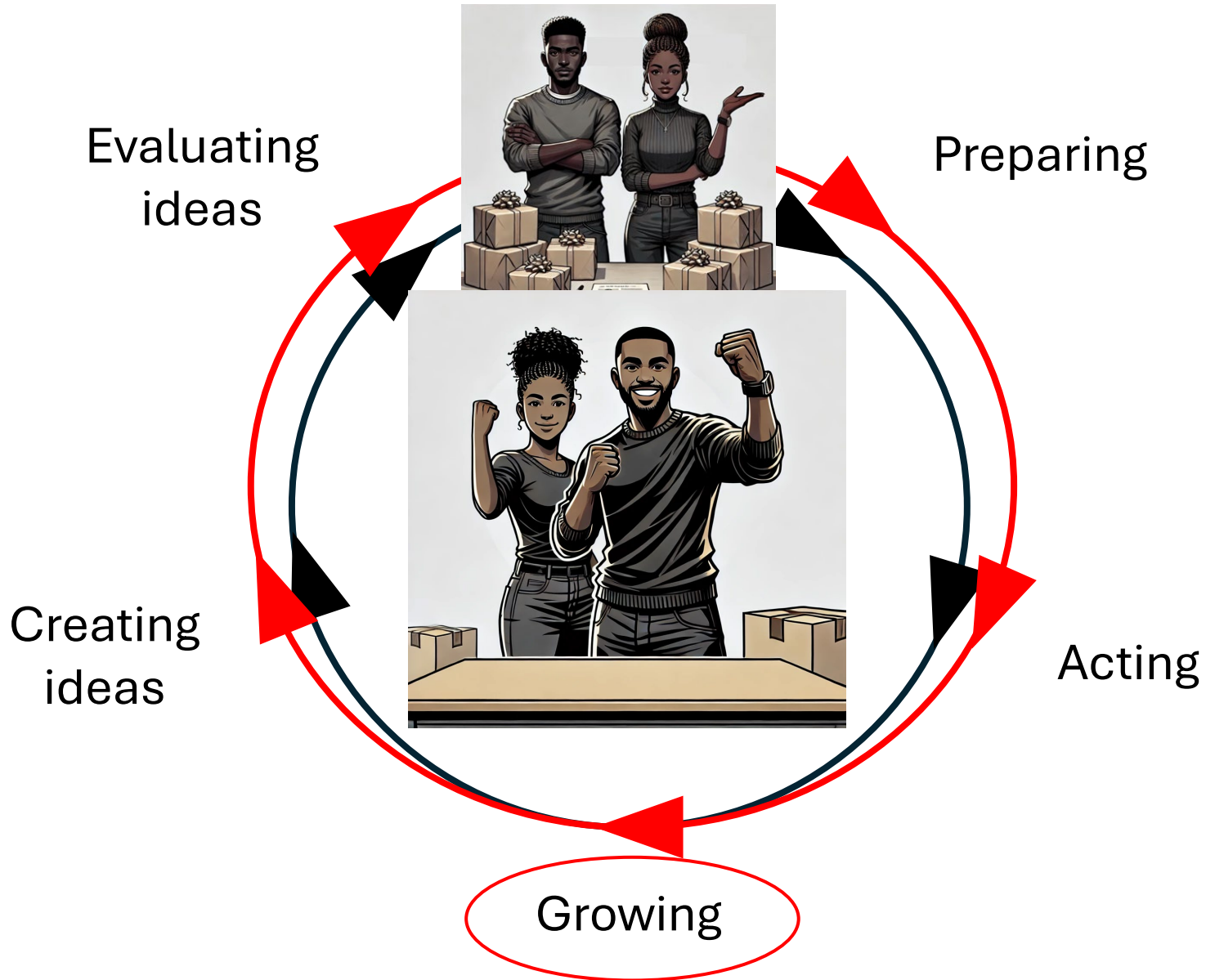
Entrepreneurial process



Entrepreneurial process



Entrepreneurial process



What will we learn in this training?

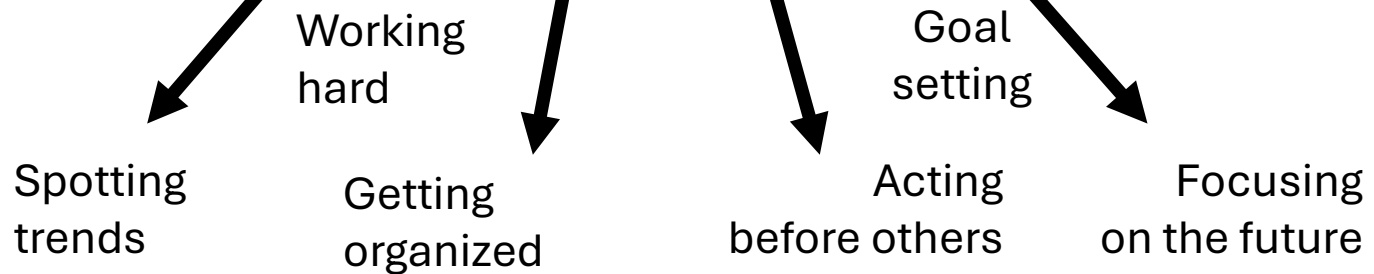
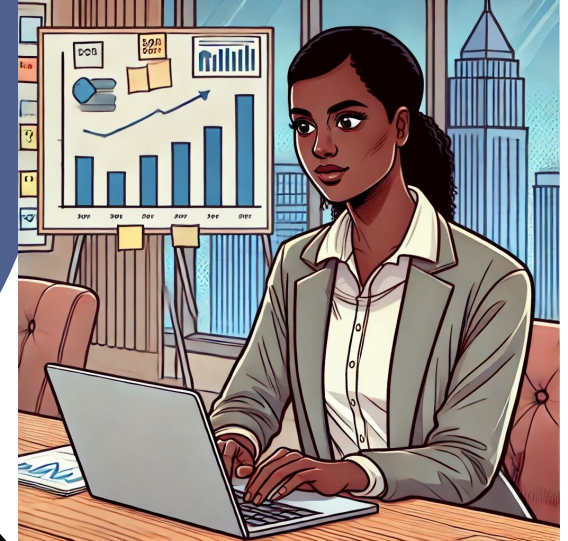
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SUCCESSFUL ENTREPRENEURS ARE RESILIENT, INNOVATIVE, AND PROACTIVE (RIP'D)!



Proactivity

Acting early and thinking ahead



Innovation

New and different ideas and behaviors

Creating new
products or
services

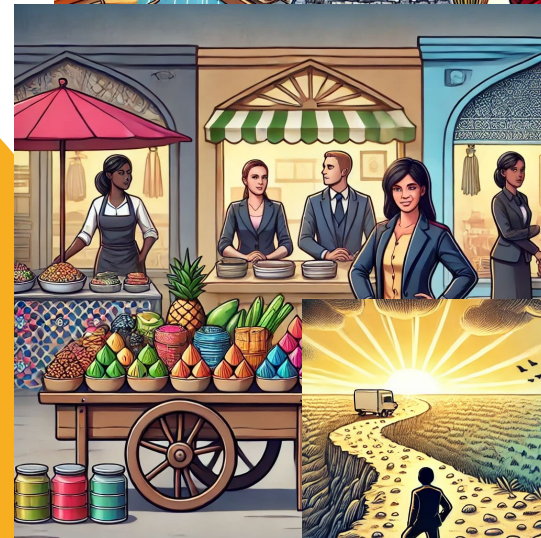
Changing
how
to advertise

Changing the
timing
of something

Questioning
assumptions

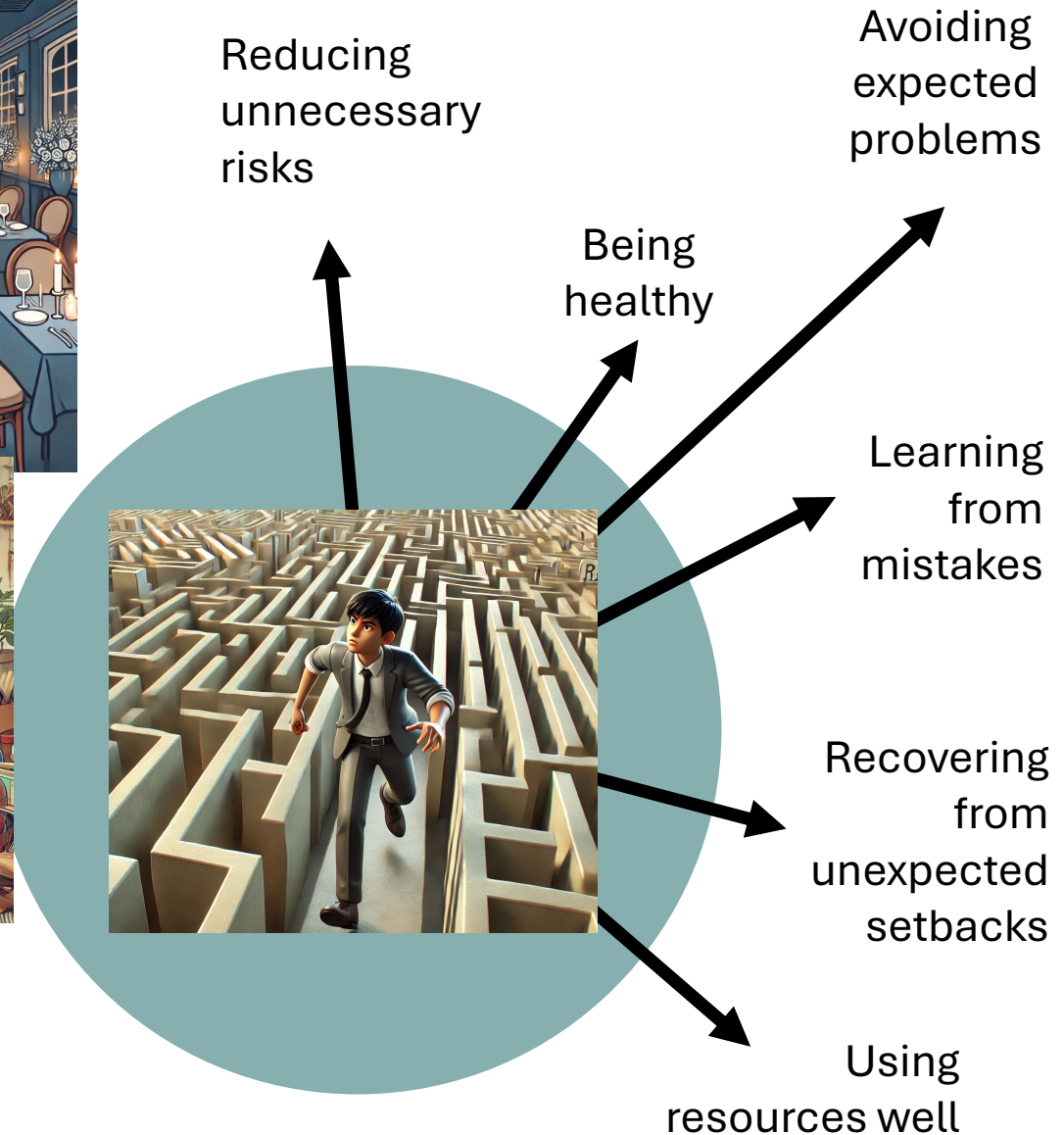
Changing
how your
business
works

Stopping,
simplifying, or subtracting
what is not needed

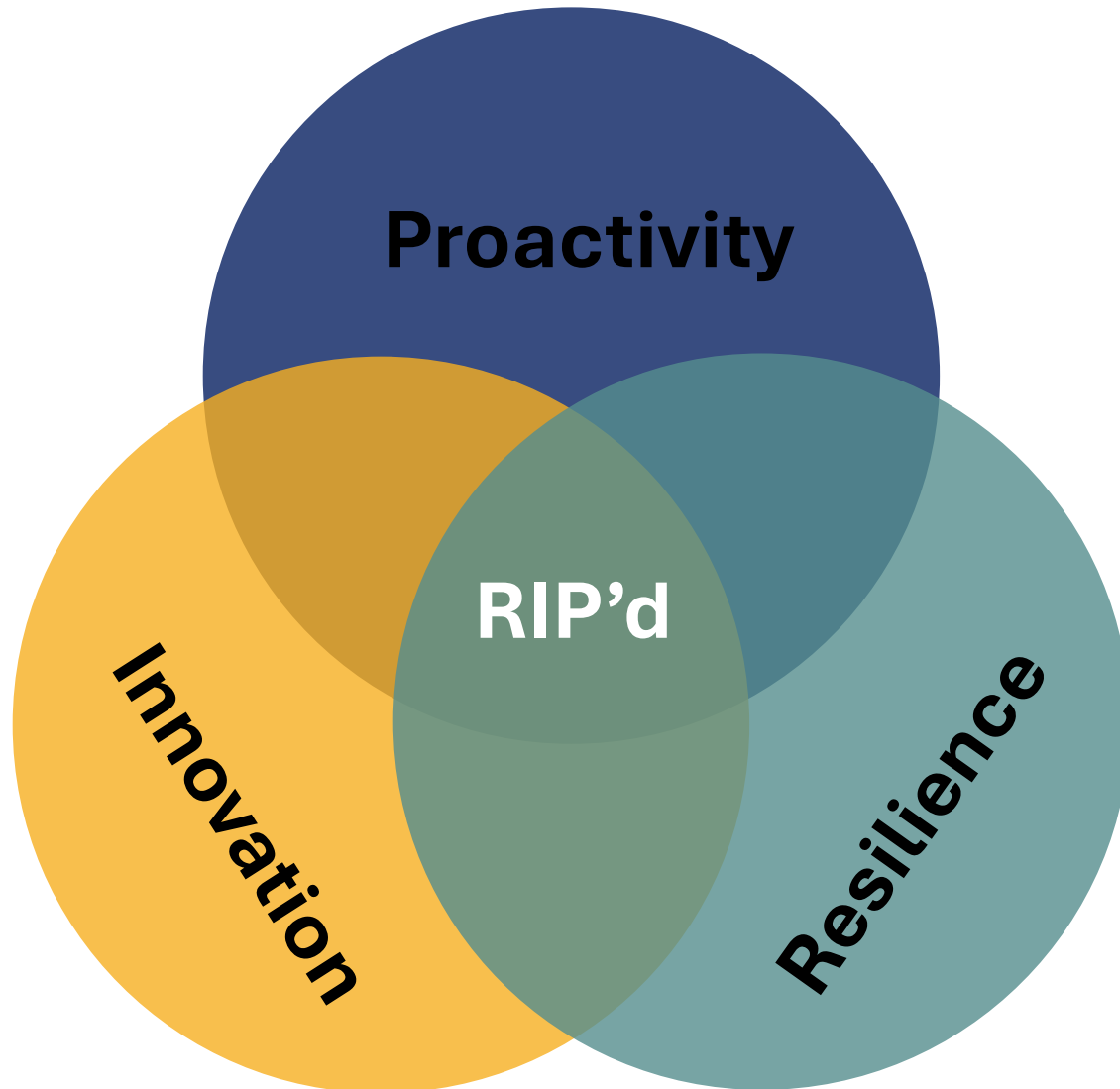


Resilience

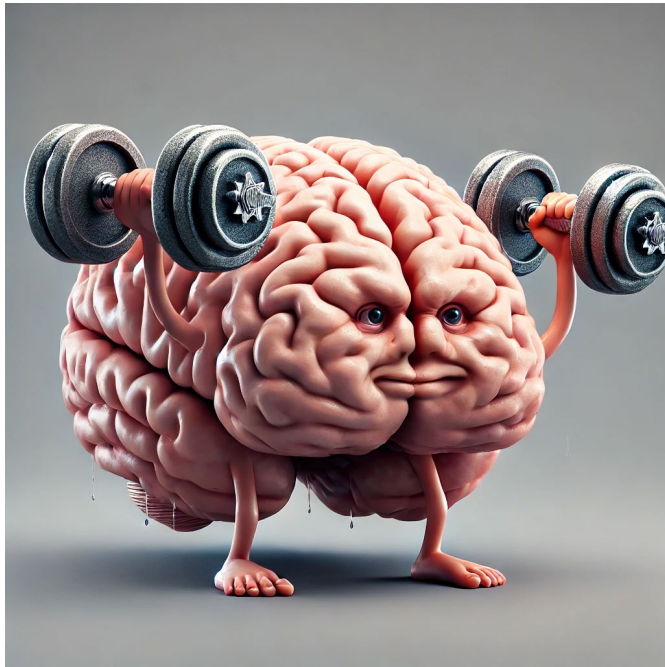
Keep going even when things don't go well



SUCCESSFUL ENTREPRENEURS ARE RESILIENT, INNOVATIVE, AND PROACTIVE (RIP'D)!



RIP'd principles – how do we get more RIP'd?



1. **Understand** what RIP'd means in your daily life as an entrepreneur

2. **Practice** being RIP'd during training so you know what it feels like and you feel confident doing it

3. **Work hard** at being RIP'd every day!

The opposite of RIP'd is **ROT**



The opposite of RIP'd is **ROT**

~~Proactivity~~

Uses lots of
resources
without having
evidence it will
work

~~Innovation~~

~~Risky~~
~~Resilience~~



The opposite of RIP'd is **ROT**



~~Proactivity~~

Copies the
ideas of others
without making
them different
or better

~~Innovation~~
Ordinary

~~Resilience~~

The opposite of RIP'd is **ROT**

~~Proactivity~~

Tired

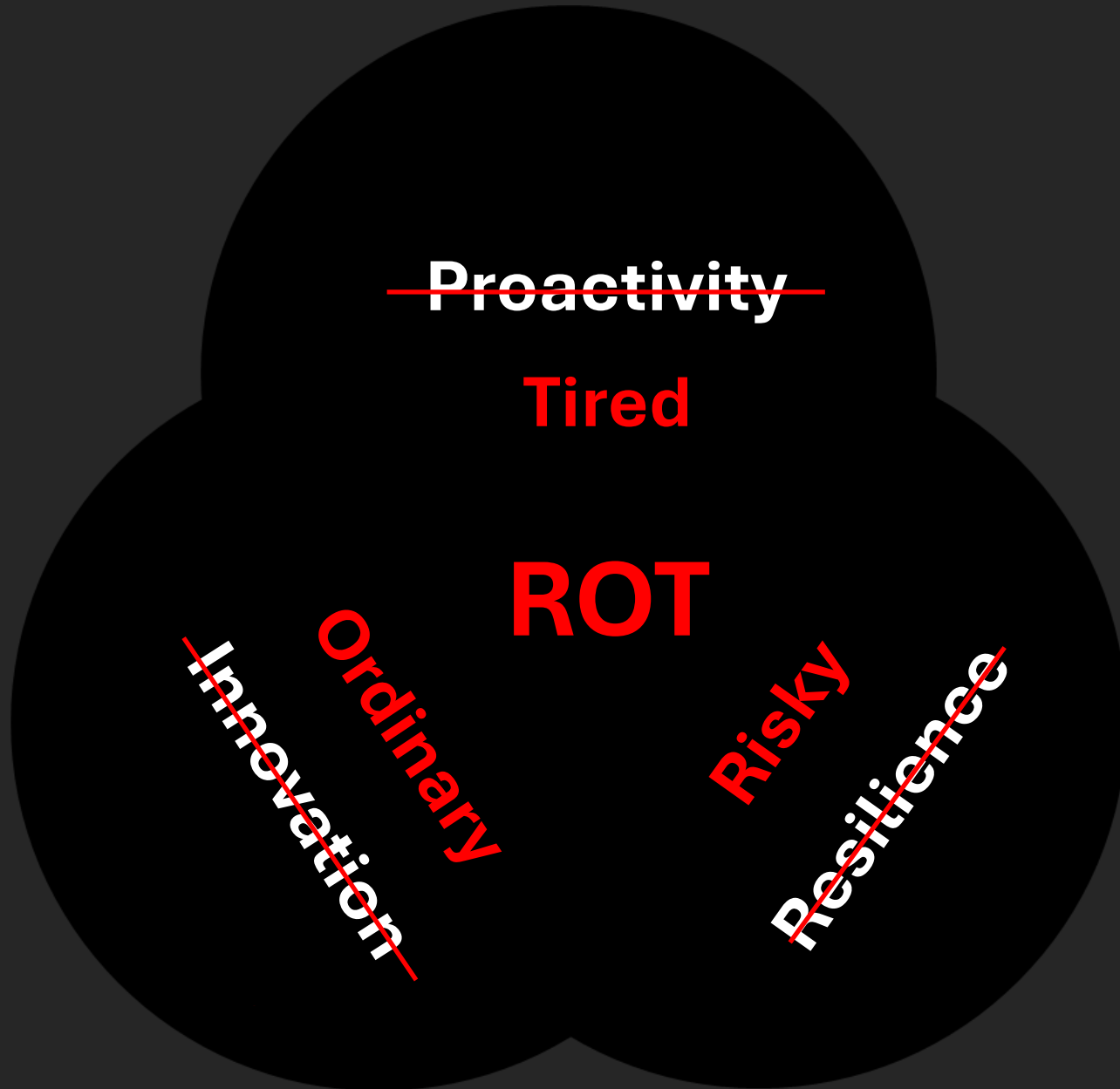
Does not plan
ahead or prepare
for future
problems or
opportunities

~~Innovation~~

~~Resilience~~



The opposite of RIP'd is **ROT**



RIP'd vs. ROTing

Mr. A runs a restaurant in town – business has not been great lately...

***Risky, ordinary, and tired
(ROT) path***



Mr. A asks the few customers (mostly his friends) who come into his restaurant why they think people don't come to his restaurant more often – but he doesn't get any good answers. He noticed that a local restaurant he passes on his way home offers chocolate milkshakes – something that he doesn't currently offer. Mr. A decides to sell chocolate milkshakes – but does not have enough money to buy a blender so he borrows money from a bank at a 20% interest rate.

**Resilient, innovative, and proactive
(RIP'd) path**



Mr. A goes to people in the community to ask them about what they would like in a restaurant that they currently don't get. He discovers that people want different types of food from around the world. Mr. A finds people from different countries living in his community and asks them to become guest chefs one night a week at his restaurant. He offers to split any profit made with those chefs so he does not have to pay them unless they do well that night.

Case study 1: Mrs. B's electronics repair business



Mrs. B runs a repair shop for small electronics. She went to school about 10 years ago to learn electronic repair skills. Recently, she has been struggling to repair newer computers and phones that are more complex than before. Mrs. B has lost customers to other businesses owned by younger guys who are more familiar with recent technology. Business has been bad, so she had to let her one employee go.

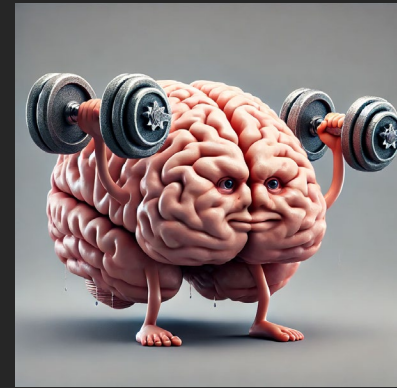
Mrs. B wants to take a new class at the community college, but she never did well in school, and it will cost her more than what she currently has. She also thinks she needs to stay at the store in case a customer comes by. After business hours, she has to go home to cook food for her kids who are in high school.

Mrs. B's husband is out of work because he had a leg injury and can't go back to work in construction. Mrs. B is thinking of quitting her business and working at a low-paying job on the other side of town.

What should Mrs. B do?

Exercise 1: RIP'ing up your schedule

Step 1: Create a schedule of your typical week – try and include at least 20 important things that you do personally and/or professionally every week (even if they don't always happen).



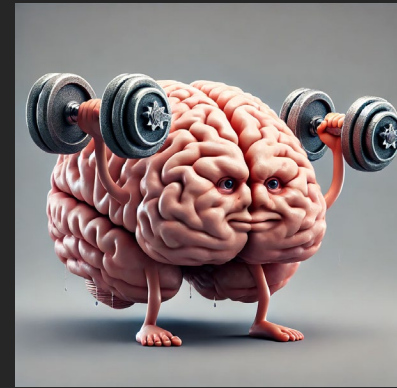
Exercise 1: RIP'ing up your schedule

Sample

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Early morning							
6am	Activity 1	Activity 1	Activity 1	Activity 1	Activity 1		
7am						Activity 1	Activity 1
8am							
9am							
10am	Activity 2				Activity 7		
11am			Activity 5				
12pm						Activity 9	
1pm					Activity 8		
2pm			Activity 6				
3pm							
4pm		Activity 4		Activity 4			
5pm							
6pm							
7pm	Activity 3	Activity 3	Activity 3	Activity 3	Activity 3	Activity 3	Activity 3
8pm						Activity 10	Activity 10
9pm							
Later evening							

Exercise 1: RIP'ing up your schedule

Step 1: Create a schedule of your typical week – try and include at least 20 important things that you do personally and/or professionally every week (even if they don't always happen).



Step 2: RIP up your schedule! Make it more resilient, innovative, and proactive by changing up what you do, when you do it, and/or how you do it.

Exercise 1: RIP'ing up your schedule

Questions to ask yourself

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Early morning							
6am	<div>Resilience<ul style="list-style-type: none">- How do you build yourself up (increase energy, focus, motivation, health)?- Are you dealing with problems before they happen?- Are you doing important/difficult things when you have the most energy/focus?Innovation<ul style="list-style-type: none">- Are you doing things the same old way – is there a better way?- When are you taking time to learn new things or to get new resources (like meeting new people)?Proactivity<ul style="list-style-type: none">- When do you take time to plan and think ahead?- Are you taking time to work on important, but not urgent, tasks?</div>						
7am							activity 1
8am							
9am							
10am							
11am							
12pm							
1pm							
2pm							
3pm							
4pm							
5pm							
6pm							
7pm							activity 3
8pm							activity 10
9pm							
Later evening							

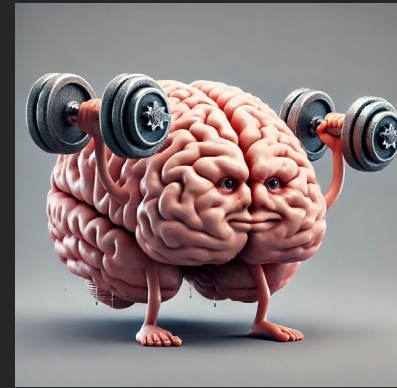
Exercise 1: RIP'ing up your schedule

Consider...

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Early morning						Changing what or how you do something (or who does it)	
6am	Activity 1	Activity 1	Activity 1	Activity 1	Activity 1		
7am							
8am					Activity 7.1		
9am							
10am	Activity 2				Activity 7		
11am			Activity 5				
12pm						Activity 9	
1pm					Activity 8		
2pm			Activity 6				
3pm							
4pm		Activity 4		Activity 4			
5pm							
6pm							
7pm	Activity 3	Activity 3	Activity 3	Activity 3	Activity 3	Activity 3	Activity 3
8pm						Activity 10	Activity 10
9pm		Activity 11					
Later evening							

Exercise 1: RIP'ing up your schedule

Step 1: Create a schedule of your typical week – try and include at least 20 important things that you do personally and/or professionally every week (even if they don't always happen).



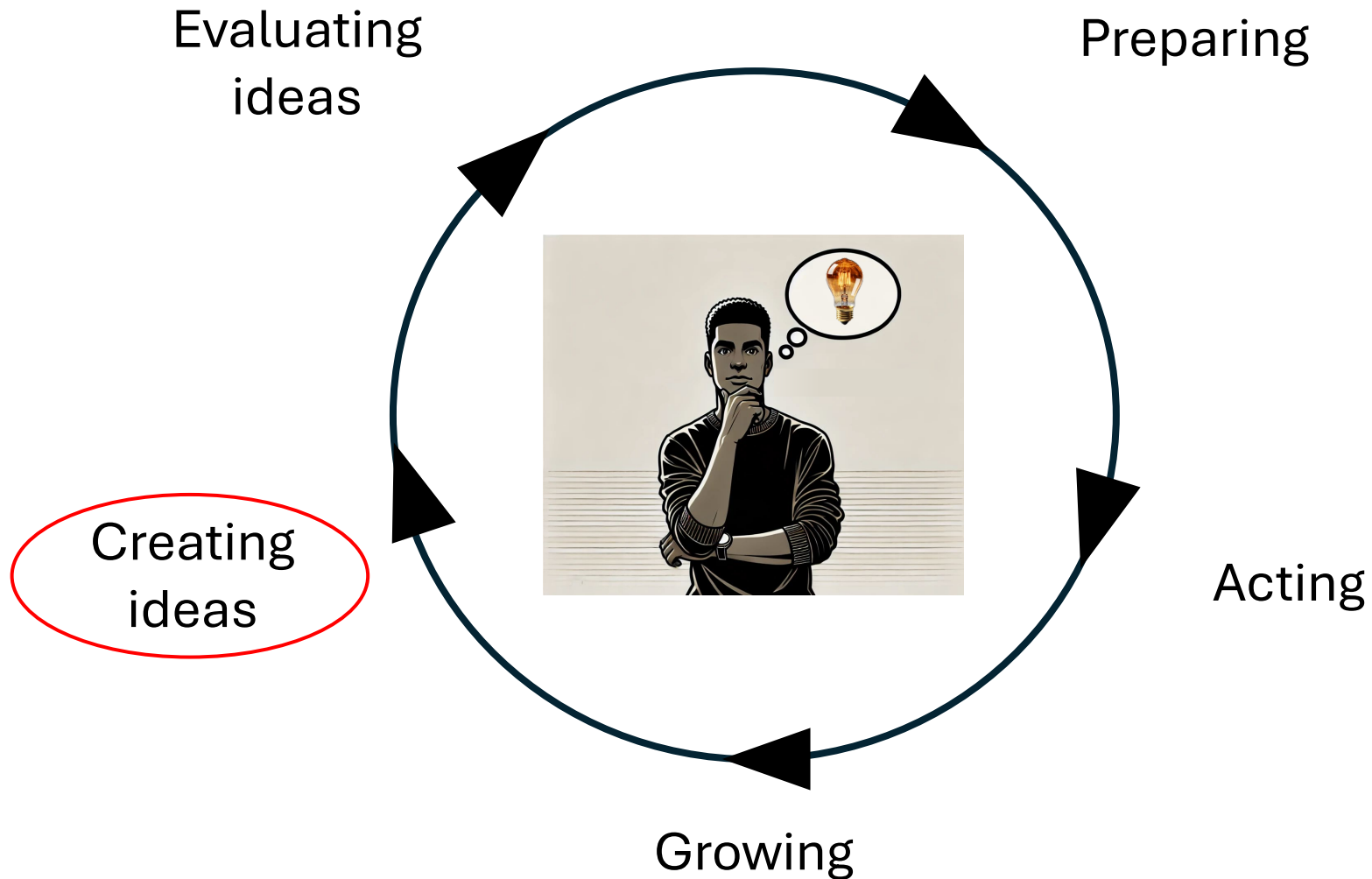
Step 2: RIP up your schedule! Make it more resilient, innovative, and proactive by changing up what you do, when you do it, and/or how you do it.

Step 3: Take turns sharing your schedule with someone else – help one another to make your schedules even more RIP'd!

What will we learn in this training?

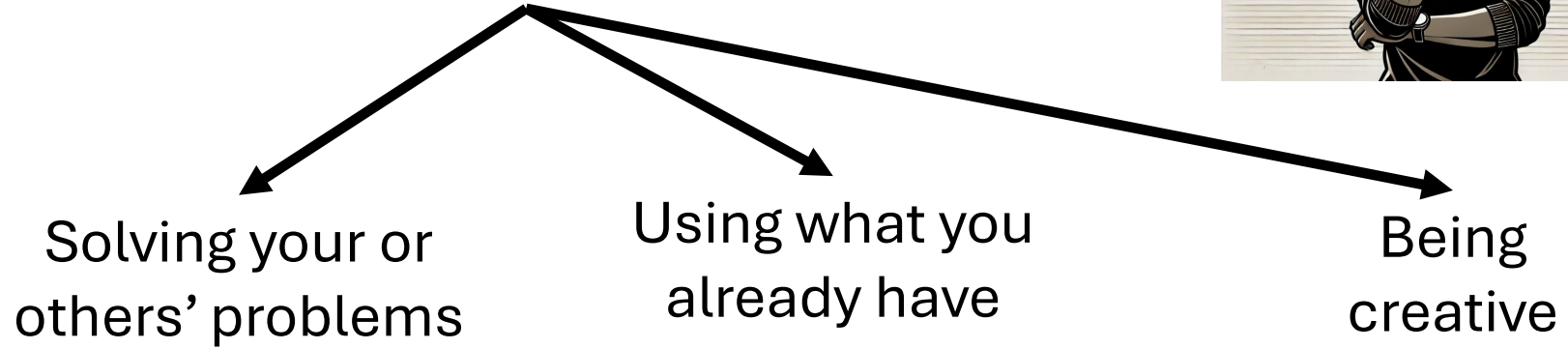
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Entrepreneurial process



Creating ideas

Where do ideas for a business come from?



Creating ideas

Where do ideas for a business come from?

Solving your or others' problems

Using what you already have

Being creative



Creating ideas

Where do ideas for a business come from?

Solving your or others' problems

Using what you already have

Being creative



Creating ideas

Where do ideas for a business come from?

Solving your or others' problems

Using what you already have

Being creative



Step 1: Identify problems

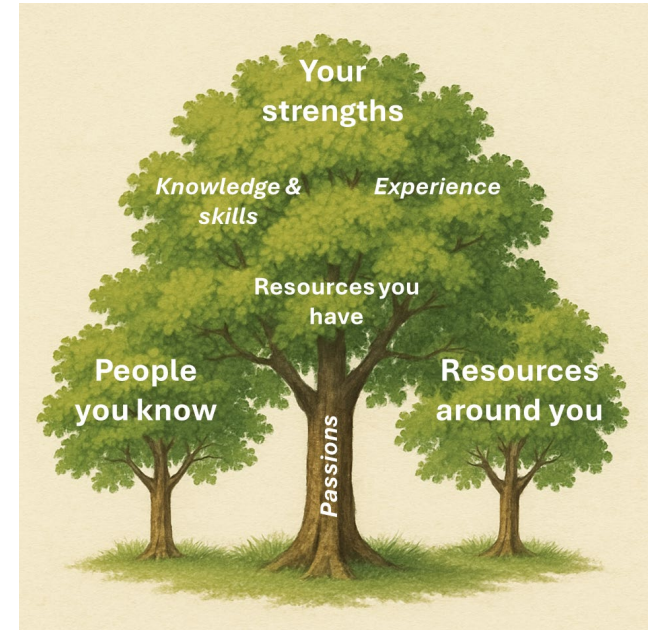


Type of problem	Example problems
<u>Personal problems</u> : think of your weekly schedule and times when you are unhappy in your personal/work life	Having bad hair in the morning, being tired after work, forgetting to take your water bottle to the gym
<u>Common problems</u> : think of problems that are always there, or that everyone/nearly everyone has	Dealing with bad traffic, having to breath polluted air, not enough time in the day to get everything done
<u>Unusual/specific problems</u> : think of problems that happen very rarely/to a specific number of people	Trouble finding a good used car, loud noises for people with autism
<u>Future problems</u> : problems that don't exist yet or aren't yet fully realized	How to prepare for space travel, problems with more people living past 100, kids getting scared of robots

Step 2: identify strengths and resources

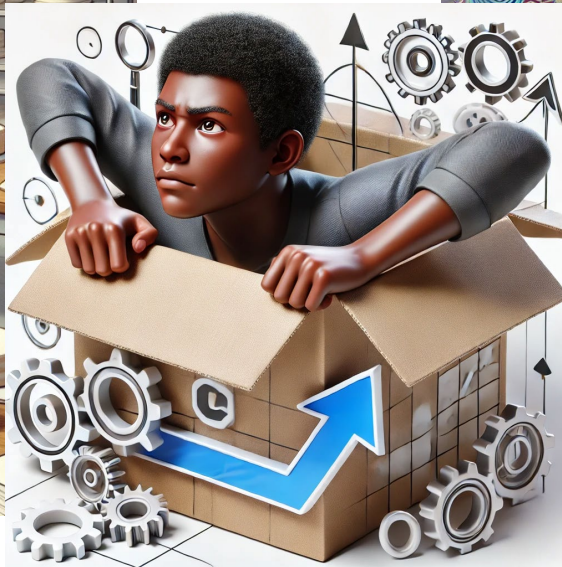


Step 3: Compare problems to resources/strengths



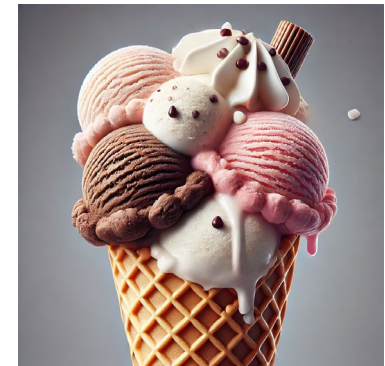
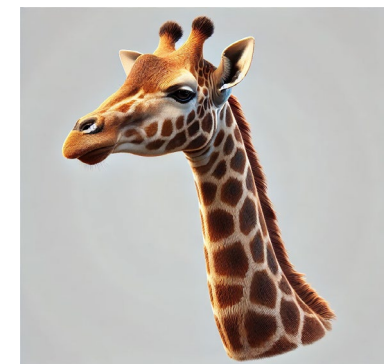
Step 4: Creativity

WE ARE OFTEN STUCK IN THE ORDINARY WAY OF DOING THINGS, THIS IS OUR “BOX,” TO BE CREATIVE WE NEED TO QUESTION OUR ASSUMPTIONS AND BREAK FREE FROM UNNECESSARY RULES OR LIMITATIONS



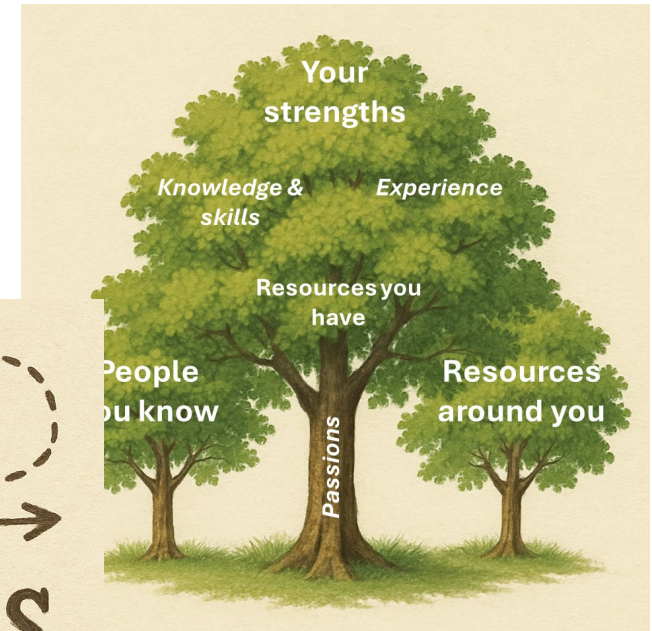
To be creative – be random!

Way to be creative	Tool
<p><u>Be random!</u></p> <p>Combine random ideas together with what you want to be creative with to create something new – <i>even if it seems silly, ridiculous, or impossible at first</i></p>	<p>Use an online random object/word generator, and then try and combine as many things together as you can in a fun way</p>



Step 4: think creatively about how you can solve problems through randomness

Randomness helps



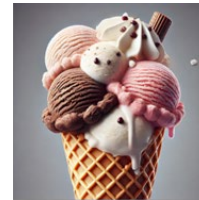
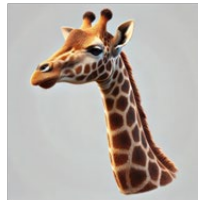
Example:

Problem: Customers are not coming into the coffee stand on the weekend



Strengths/resources:

- Sewing skills
- Love for kids
- Spare wood at home



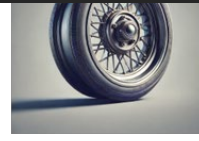
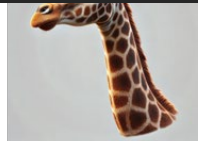
Example:

Problem: C
not coming
stand on



Creative idea

Attract families with kids on the weekend with affogatos (coffee + ice cream) and a cute kids coffee stand made from spare wood with a giraffe mascot



ources:
fills
ds
t home

Case study 2: Ms. C's idea for a new direction



Ms. C just got laid off from her job as a sales clerk for a large fashion store; Ms. C is like many people in her local community who have been laid off due to an economic downturn. She sees this setback as an opportunity though because she always wanted to start her own business. Ms. C is interested in anything to do with clothing and fashion. Due to her job as a postal worker, she spoke with a lot of different people in her local community and got a sense for what they like in fashion, what they don't like, and what's missing in many people's wardrobes. Broadly, many people in her community love trying out new fashion trends from the nearby big city. Ms. C speaks Spanish and has several grandchildren who are now entering middle school and high school in that big city.

What should Ms. C do?

Exercise 2: Creating ideas

Step 1: Come up with a variety of problems around you

Step 2: Develop a list of your key resources and strengths

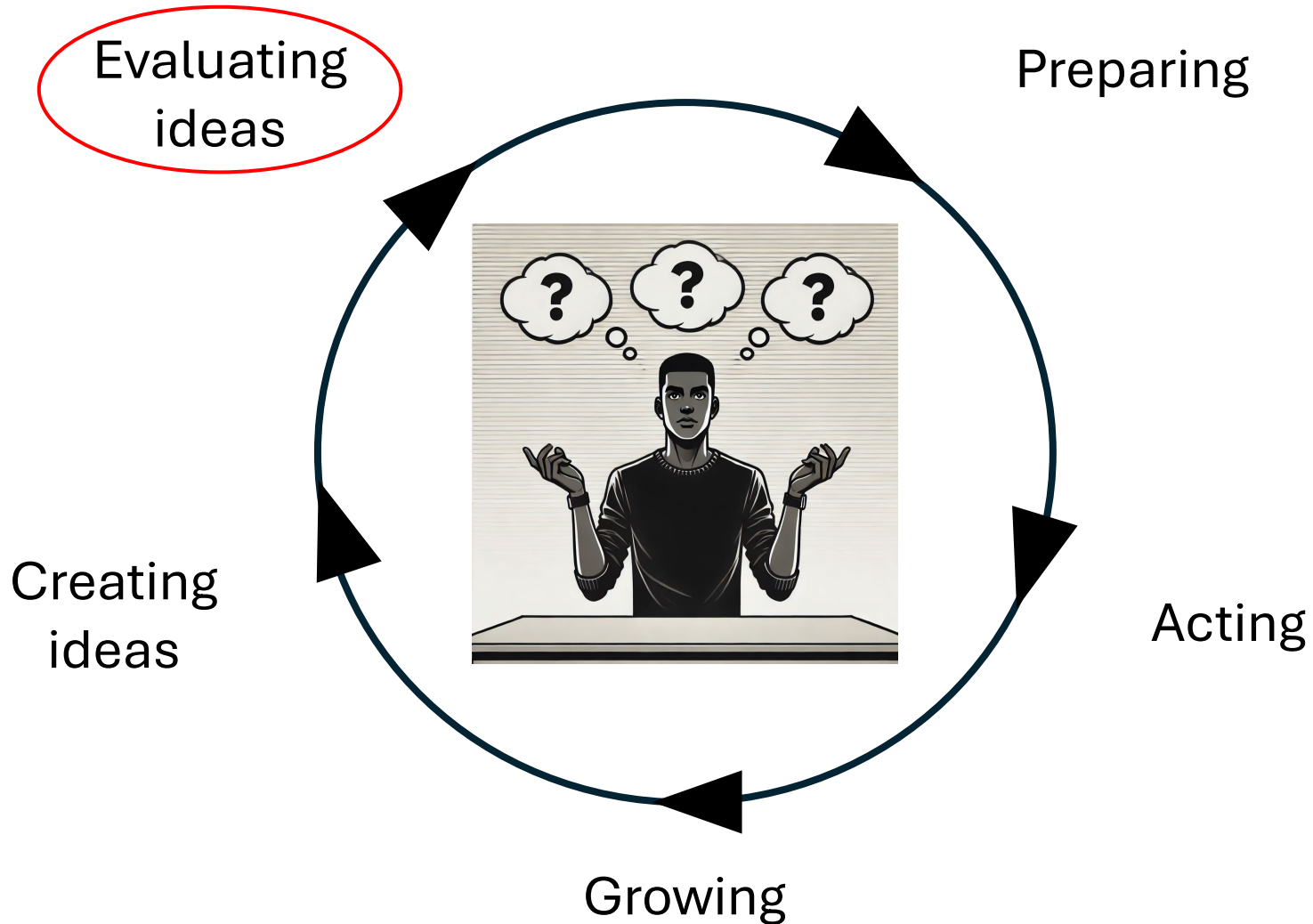
Step 3: Compare resources/strengths to problems

Step 4: Think creatively about how you can solve problems through strengths/resources and randomness

What will we learn in this training?

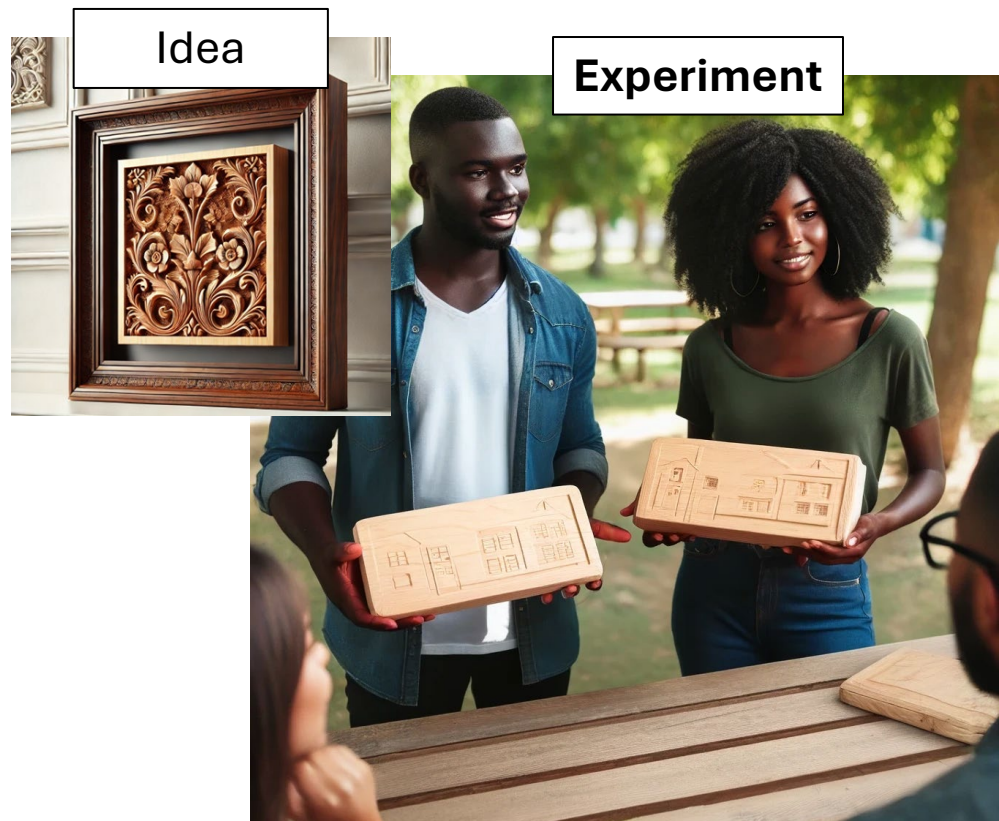
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Entrepreneurial process



Feedback

Good feedback happens when a potential customer is put into a realistic buying situation - before the product or service is fully ready



This is kind of like a **small “experiment”** to find out whether customers will buy what we are going to sell.

Experiments should be **REAL**, that is they should:

Principle

Involve a **Realistic** buying situation

Be **Early** – before you use lots of time and resources

Test key **Assumptions** that you have about what customer want

Help you **Learn** broadly about customers' preferences and their lives

Experiment



RIP'd entrepreneurs will frequently use experiments to test new ideas and develop their businesses

Experiments should be REAL, that is they should:

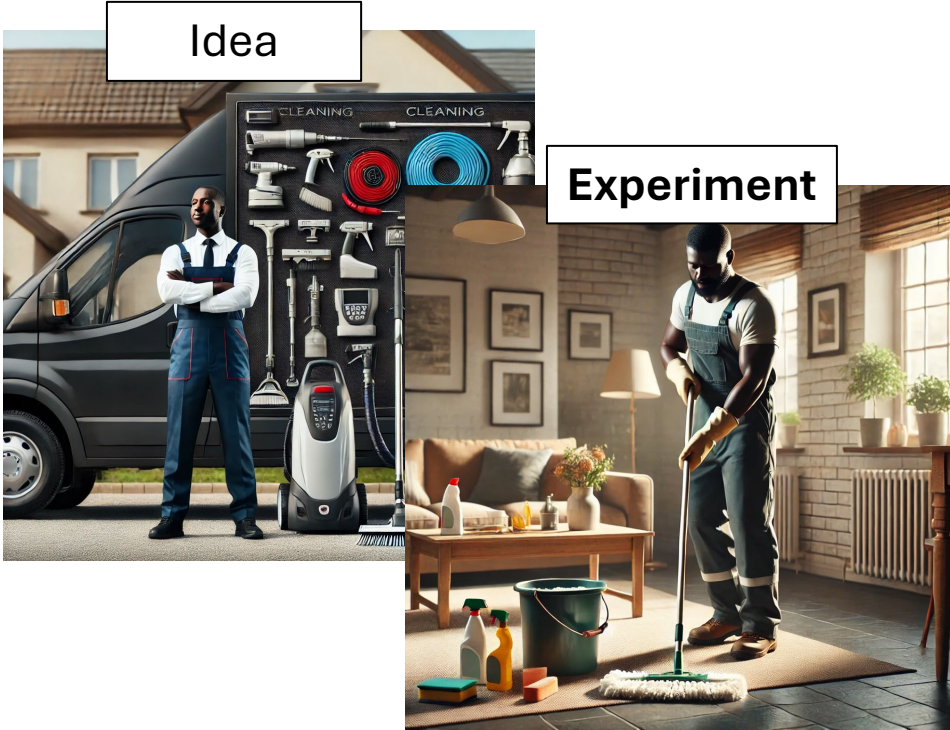
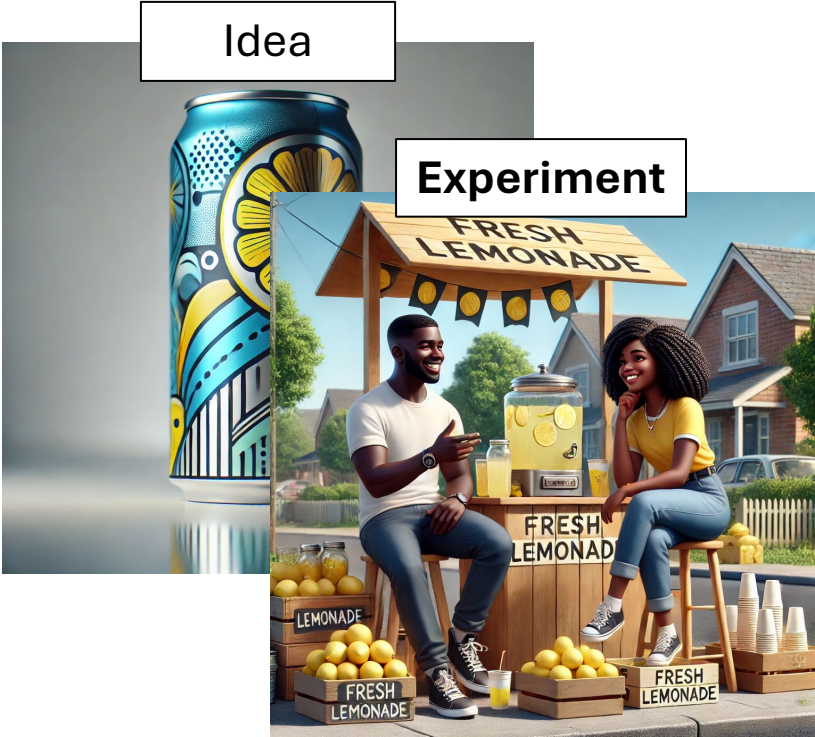
Principle	Example
Involve a Realistic buying situation	<i>Try and sell something to someone or if you can't do that, then do a "presale" (when you sell something that will be delivered later)</i>
Be Early – before you use lots of time and resources	<i>Do a small experiment right away when you are trying to figure out whether to invest additional time and money into a new idea</i>
Test key Assumptions that you have about what customer want	<i>Try and identify what you are assuming / don't know and test it in a way that helps to ensure you can get negative feedback – negative feedback helps you to grow and prevents wasting resources</i>
Help you Learn broadly about customers' preferences and their lives	<i>Do the experiment in person so that you can talk with the people you are experimenting on after – asking them questions like "why did you not want to buy this?" or "how could I improve?"</i>

Types of experiments

Type	Description	When it is useful	Example product/service
Start selling	Sell a basic and early version of the product or service to customers	When you can quickly and cheaply make a basic version of the product or service	Foods and drinks Handmade products Manual services
Sample presale	Sell the product or service by showing (not selling) a realistic sample of the product or service	When you can only make a sample of the product or service cheaply/easily	Complex products with cheap prototypes Complex services, including from apps, that can be done to some extent by hand
Comparison presale	Show or describe the product or service in comparison to a competitor - ask for prepayment or customer info	When you can't make a basic version of the product or service quickly and cheaply	Complex products with expensive, time-consuming, or unsafe prototypes Services that cannot be done cheaply or by hand

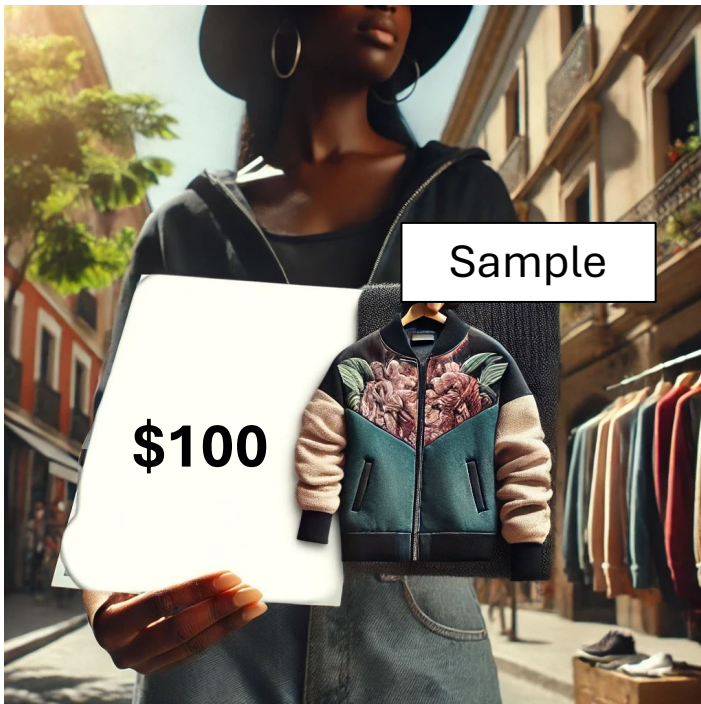
Start selling

Type	Description	When it is useful	Example product/service
Start selling	Sell a basic and early version of the product or service to customers	When you can quickly and cheaply make a basic version of the product or service	Foods and drinks Handmade products Simple services



Sample presale

Type	Description	When it is useful	Example product/service
Sample presale	Sell the product or service by providing a realistic sample of the product or service	When you can only make a sample of the product or service cheaply/easily	<p>Complex products with cheap prototypes</p> <p>Complex services, including from apps, that can be done by hand</p>



Comparison presale

Type	Description	When it is useful	Example product/service
Comparison presale	Show or describe the product or service in comparison to a competitor - ask for prepayment or customer info	When you can't make a basic version of the product or service quickly and cheaply	Complex products with expensive, time-consuming, or unsafe prototypes



The image shows a person's hands holding a tablet. The tablet screen displays a side-by-side comparison of two sheds. On the left is a wooden shed with a blue roof, and on the right is a metal shed with a blue roof. Above the comparison, the word 'Comparison' is written in a white box. Below the comparison, the words 'Buy now!' are written in a white box. To the left of the tablet, there is a tan box with the text 'Wood shed', '\$1,000', and 'Fire risk'. To the right of the tablet, there is a grey box with the text 'Metal shed', '\$2,000', and 'No fire risk'. Above the grey box, the word 'Idea' is written in a white box.

Comparison

Wood shed
\$1,000
Fire risk

Buy now!

Buy now!

Idea

Metal shed
\$2,000
No fire risk

RIP'd vs. ROTing

Mr. F has an idea for a new app that will cost \$10,000 to create due to complex programming and testing, he will charge each user \$5 to download the app once it works.

***Risky,
ordinary,
and tired
(ROT) path***



Mr. D. is excited about his idea and wants to make sure the app is perfect before anyone ever sees it. He doesn't have any programming experience, but he doesn't let that stop him. Mr. D goes to a bank to take out a \$10,000 loan at a moderate interest rate to pay programmers to make the app for him. Once the app is developed, Mr. D plans to go to groups of customers so he can demonstrate how the app works and then ask for their verbal positive and negative feedback. Most people tell Mr. D that they really like his app so he launches it on the app store, but after several months, he has had only a handful of people purchase it.



**Resilient,
innovative,
and proactive
(RIP'd) path**

Mr. D. is excited about his idea but wants to make sure that his potential customers are just as excited about it as he is so he creates a very simple mock-up of how the app will work and turns it into a PDF presentation. He goes to groups of potential customers to demonstrate roughly what the app will do and then asks people for \$5 for early access to the app. He only gets a few people interested enough to pay \$5, so he begins to inquire why people are not interested and begins to change some of the aspects of the app to better fit customer demands. Once Mr. D does a few rounds of experimenting, he feels ready to spend the \$10,000 necessary to make the app.

Case study 3: Evaluating Ms. E's idea



Ms. E is a mechanical engineering teacher and is struggling to earn enough money to save for retirement. She has always dreamed of starting her own business but she doesn't have much if any extra cash to spend. Ms. E has had an idea for a new type of self-cleaning toothbrush that she hopes to sell. While she has developed the technical plans for the toothbrush, she does not yet have enough money to create a working prototype. Ms. E estimates that she would have to charge at least \$300 to be able to make a 10% profit above the costs of what it would take to make the toothbrush. That 10% profit (\$30 per toothbrush) would be necessary to pay off the estimated \$5,000 that she needs to build the prototype and \$25,000 to begin manufacturing the toothbrushes.

What should Ms. E do?

Exercise 3: Conduct an experiment

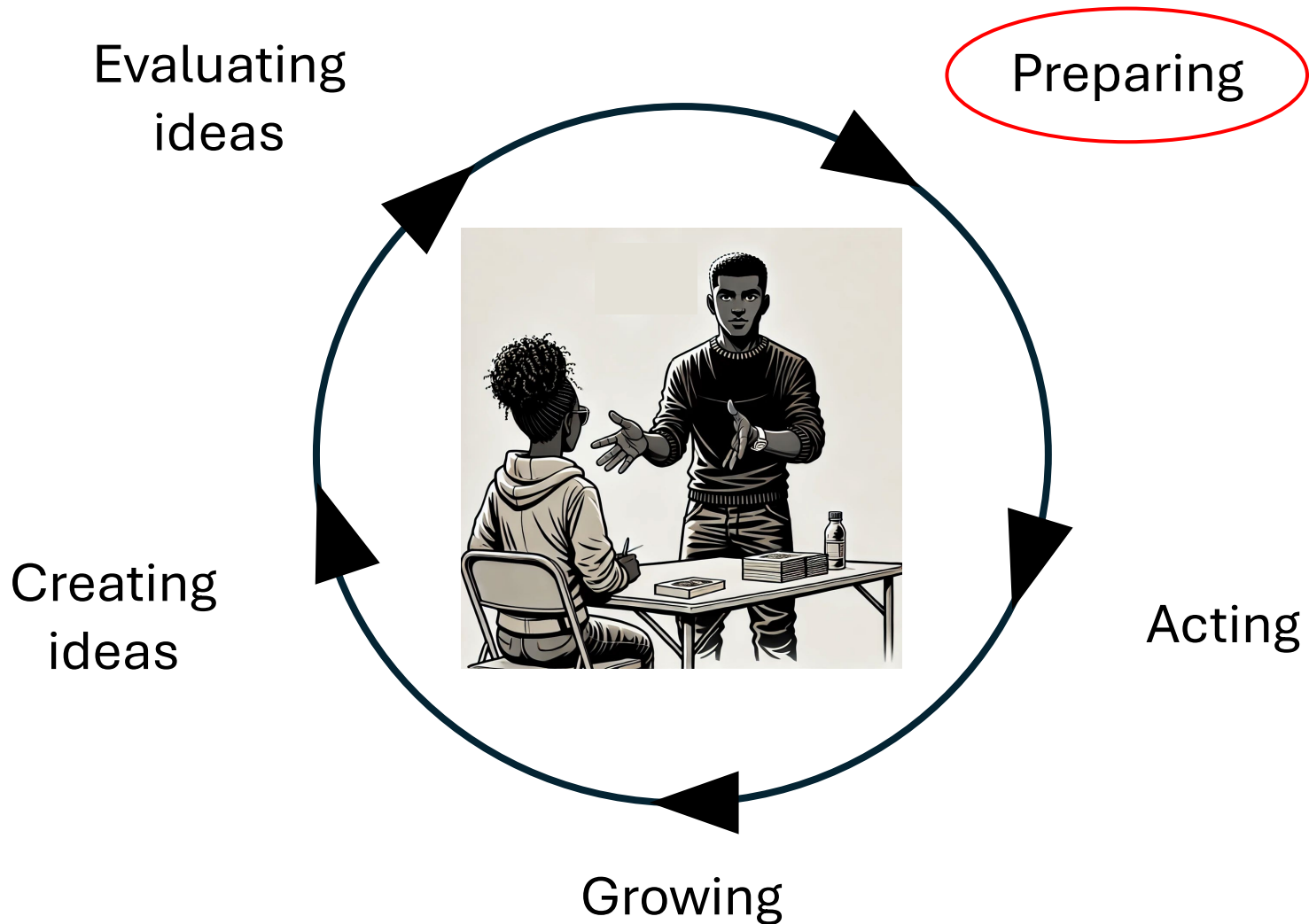
Step 1: Based upon an idea you have, propose an experiment to test a key unanswered question. Explain what type of experiment you are going to conduct, and how it will be REAL.

Step 2: In groups, share your plan for your experiment (be sure to address the details – the who, what, where, and when). Help one another to make your experiments more REAL & RIP'd.

What will we learn in this training?

1. The entrepreneur's process and mindset
2. Creating ideas
3. Evaluating ideas
4. Preparing
5. Acting
6. Growing

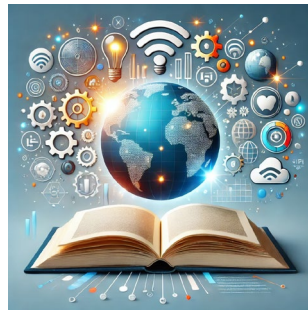
Entrepreneurial process



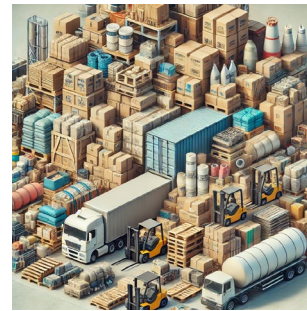
Different types of resources

Resources include

Information



Things



People

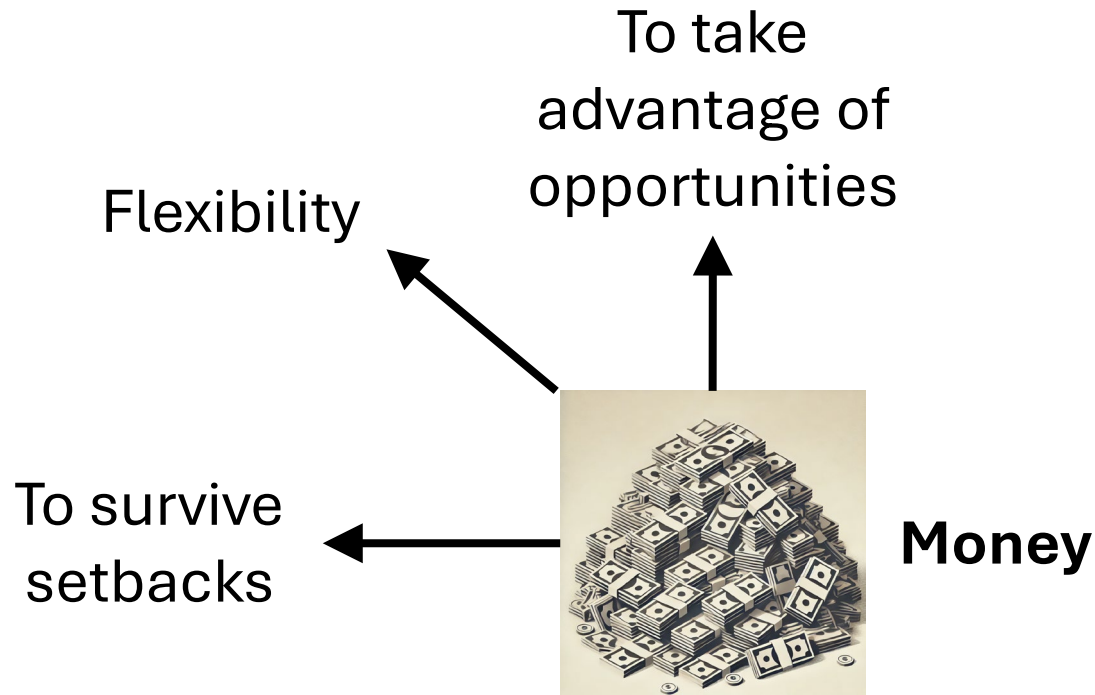


Money



Different types of resources

Money allows your business



Money that is quickly available for use (cash) is uniquely important to businesses.

Bootstrapping

Bootstrapping is creatively using information, people, and things you already have, to avoid using money when you don't have to

Information



Things



People



How do you bootstrap?



Just remember to STRAP!

Principle	Explanation	Example
<u>S</u>ave	For any purchase, try and find a way to reduce what it costs – through bulk or discount	Instead of buying boxes in small quantities, buy them in bulk – or during a sale
<u>T</u>rade	Paying for something using your time, skill, or something else you have like access, supplies, or tools	Instead of paying for advertising, trade it for products or services
<u>R</u>e-use & re-purpose	Avoid buying something new by re-using something old or use something else for a new purpose	Instead of paying others to advertise for you, turn your customers
<u>A</u>adjust the timing	Be sure to keep cash as long as you can and get it as soon as you can in any transaction	Instead of the normal way, give discounts for customers to pre-pay and ask suppliers to let you pay later
<u>P</u>artner	Work creatively with other businesses, with customers, and with other organizations	Instead of working in a space by yourself, rent your space to share with another business

RIP'd vs. ROTing

Mr. E is opening a new coffee shop and wants to set himself apart by having a very pleasant interior space for people to enjoy for long periods at a time.

***Risky,
ordinary,
and tired
(ROT) path***



Mr. E does research on where nearby cafes and restaurants have purchased interior furniture and how they have decorated their spaces. He found that most of them purchase services (like painting and interior design) and products (like stools and tables) from a big national company. The company provides him a quote for \$50,000 to design and outfit his café in a way that he think customers will appreciate. While he thinks the price is high, Mr. E agrees to pay for the full \$50,000 to ensure that everything is perfect before he opens on his first day.



**Resilient,
innovative,
and proactive
(RIP'd) path**

Mr. E does research on where nearby cafes and restaurants have purchased interior furniture and how they have decorated their spaces, he identifies that certain businesses have saved a lot of money by hiring a local designer and then purchasing furniture and other equipment themselves. He talks to this interior designer and trades free coffee for her and her firm for free design help. Mr. E then goes with the designer to a local estate sale to purchase cheap but high quality products for his store. The only thing he is missing is art to decorate his walls. He goes ahead and opens his store without it being perfect and seeks out customers who are artists who want to hang their art on his walls – allowing other customers to see and buy their art.

Case study 4: Starting to sell



Ms. E, the mechanical engineering teacher from Case Study 3 who has invented a new type of self-cleaning toothbrush, has managed to manufacture 500 toothbrushes. She is now struggling to figure out how to package and market the toothbrushes – both the 500 she has in stock and future toothbrushes that she manufactures. Ms. E is worried about paying off her bills quickly enough, but her job at the local community college is very demanding. She has thought about going to speak with a business teacher in the business department of the college, but she is not sure she wants others to get really involved in her business. She did some research online and has identified a packaging company and an advertising firm, but their prices seem quite high and would use up most of her available cash.

What should Ms. E do?

Exercise 4: Plan to use resources effectively

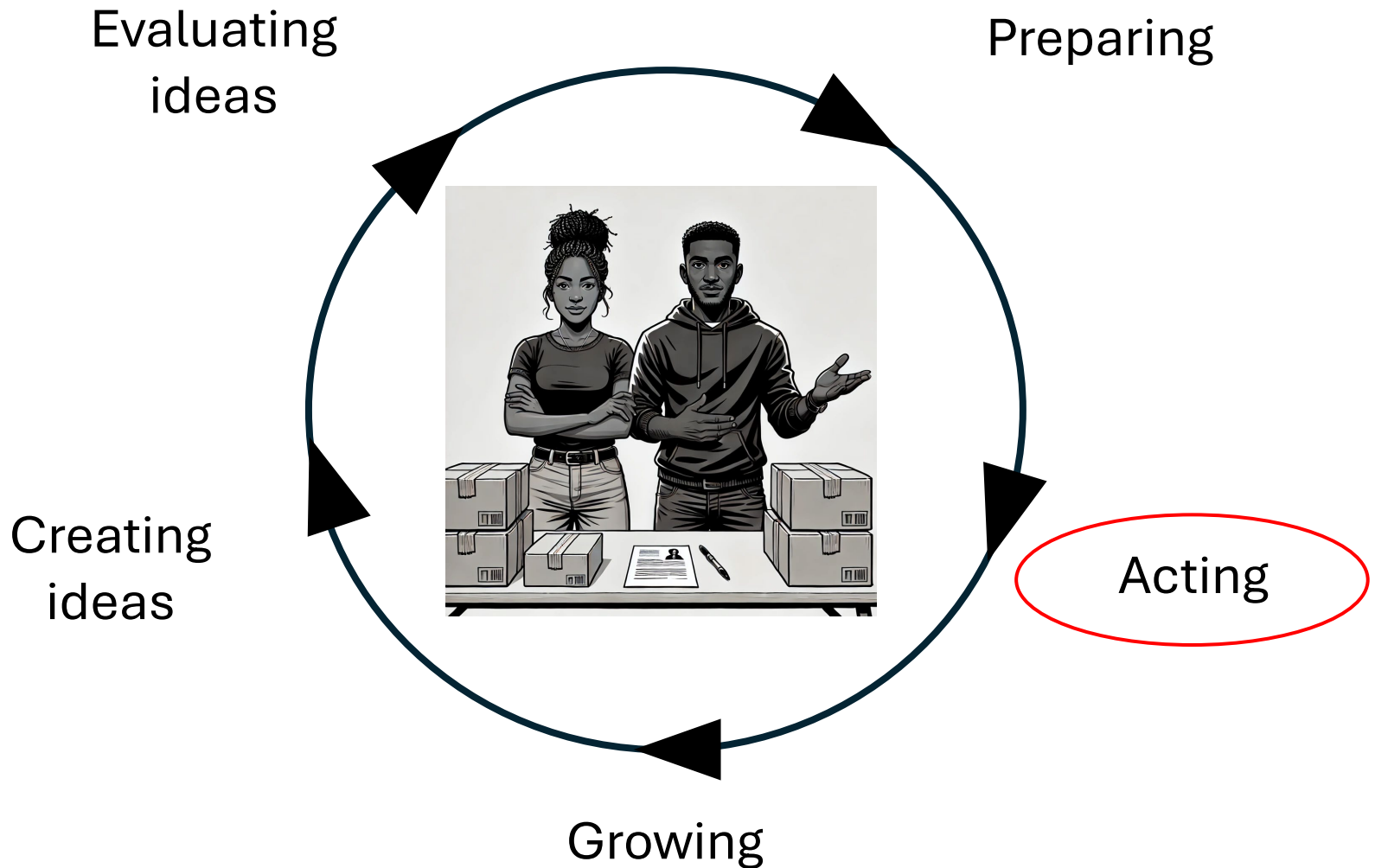
Step 1: Estimate the required resources (money, things, information, and people) required to pursue your idea.

Step 2: Using bootstrapping techniques, propose ways to cut your use of money (cash). Help to make your use of resources more RIP'd!

What will we learn in this training?

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6. Growing

Entrepreneurial process



Goal setting

Setting goals is one of the most important things for entrepreneurs to do on a regular basis to help them act effectively



A goal is a short written-statement of *what* you want to do and broadly how you want to do it



	Example
What	We want to sell 100 simple wood carvings in the next 10 days, by...
How	... learning to carve from a neighbor, advertising a special wood carving in a local shop, and taking orders over the phone

Goal setting – SMART & RIP'd

Good goals need to be
SMART and RIP'd!



Principle	Explanation	Hint
<u>S</u>imple	Keep your goal simple so you can easily remember it	<i>A simple goal should be a single long sentence</i>
<u>M</u>easurable	You should be able to measure exactly how you did at your goal	<i>Use a number in your goal – like the number of customers or sales</i>
<u>A</u>mbitious	Your goal should be very difficult, but not impossible	<i>Use the 80% failure rule – you, or those like you, should fail at this goal 80% of the time, or there should be a 20% chance for success</i>
<u>R</u>ealistic		
<u>T</u>ime-bound	Always have an end-date	<i>Specify a day or even time of day</i>
<u>I</u>nnovative	Be sure to be different in what you do and how you do it	<i>Ask yourself, is there a better way I can accomplish my goal?</i>
<u>R</u>esilient	Think about what could go wrong, and account for it	<i>Think of a Plan B or a different approach that might not fail as easily</i>

Make sure your goals are SMARTIR!

Is this goal SMARTIR?

We will find places to buy boxes
and wood for our business



Principle
<u>S</u> imple
<u>M</u> easurable
<u>A</u> mbitious
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Make sure your goals are SMARTIR!

Is this goal SMARTIR?

We will find places to buy boxes
and wood for our business

We will go to and compare the
prices from three box shops and
three wood shops in 3 days



Principle
<u>S</u> imple
<u>M</u> easurable
<u>A</u> mbitious
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Make sure your goals are SMARTIR!

Is this goal SMARTIR?

We will find places to buy boxes and wood for our business

We will go to and compare the prices from three box shops and three wood shops in 3 days



Principle
<u>S</u> imple
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<u>T</u> ime-bound
<u>I</u> nnovative
<u>R</u> esilient

Make sure your goals are SMARTIR!

Is this goal SMARTIR?

We will find places to buy boxes and wood for our business

We will go to and compare the prices from three box shops and three wood shops in 3 days

In the next 7 days, we will call 10 stores that sell boxes and wood to compare prices and then visit the stores we can't contact and those with the best prices to negotiate how much we will pay for bulk orders – using the prices of other stores to help us negotiate a decrease in our variable costs by \$2 per product



Principle
<u>S</u> imple
<u>M</u> easurable
<u>A</u> mbitious
<u>R</u> ealistic
<u>T</u> ime-bound
<u>I</u> nnovative
<u>R</u> esilient

Make sure your goals are SMARTIR!

Principle	
<u>S</u> imple	★
<u>M</u> easurable	★
<u>A</u> mbitious	★
<u>R</u> ealistic	★
<u>T</u> ime-bound	★
<u>I</u> nnovative	★
<u>R</u> esilient	★

Is this goal SMARTIR?

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We will go to and compare the prices from three box shops and three wood shops in 3 days

In the next 7 days, we will call 10 stores that sell boxes and wood to compare prices and then visit the stores we can't contact and those with the best prices to negotiate how much we will pay for bulk orders – using the prices of other stores to help us negotiate a decrease in our variable costs by \$2 per product



RIP'd vs. ROTing

Mr. E (the restaurateur we considered previously) is opening a new coffee shop and wants to set himself apart by having a very pleasant interior space for people to enjoy.

***Risky,
ordinary,
and tired
(ROT) path***



Mr. E sets himself the following goal:

“In 90 days, I will open my restaurant to the public – having it ready to open with 20 sets of tables and chairs and decorative paintings on the wall; to accomplish this, I will spend no more than the average amount of what other cafes in my area have spent on interior designers and furniture.”



**Resilient,
innovative,
and proactive
(RIP'd) path**

Mr. E sets himself the following goal:

“In 90 days, I will open my restaurant to the public – having it ready to open with 20 sets of tables and chairs and decorative paintings on the wall; to accomplish this, I will spend no more than half of what other cafes in my area have spent on interior designers and furniture by working to bootstrap these costs (including getting local artists to let me hang their paintings for free – and if that doesn't work, then holding a “paint & coffee” night and hanging the works of those who come).

It is important to set short- and long-term goals

Principle	
<u>S</u> imple	★
<u>M</u> easurable	★
<u>A</u> mbitious	★
<u>R</u> ealistic	★
<u>T</u> ime-bound	★
<u>I</u> nnovative	★
<u>R</u> esilient	★

In the next 7 days, we will call 10 stores that sell boxes and wood to compare prices and then visit the stores we can't contact and those with the best prices to negotiate how much we will pay for bulk orders – using the prices of other stores to help us negotiate a decrease in our variable costs by \$2 per product



In exactly one year to the day, our business will have sold 1,000 wooden carvings to customers by expanding where we sell from our current town to three neighboring towns and partnering with local shops in prominent places in those towns to sell and advertise our products and finding entrepreneurs in those town to help us develop new and different types of wood carvings

Exercise 5: Set goal(s) for your business

Step 1: Set a SMARTIR goal for your business in one year;

Step 2: Share your goal and make sure that it is SMARTIR!

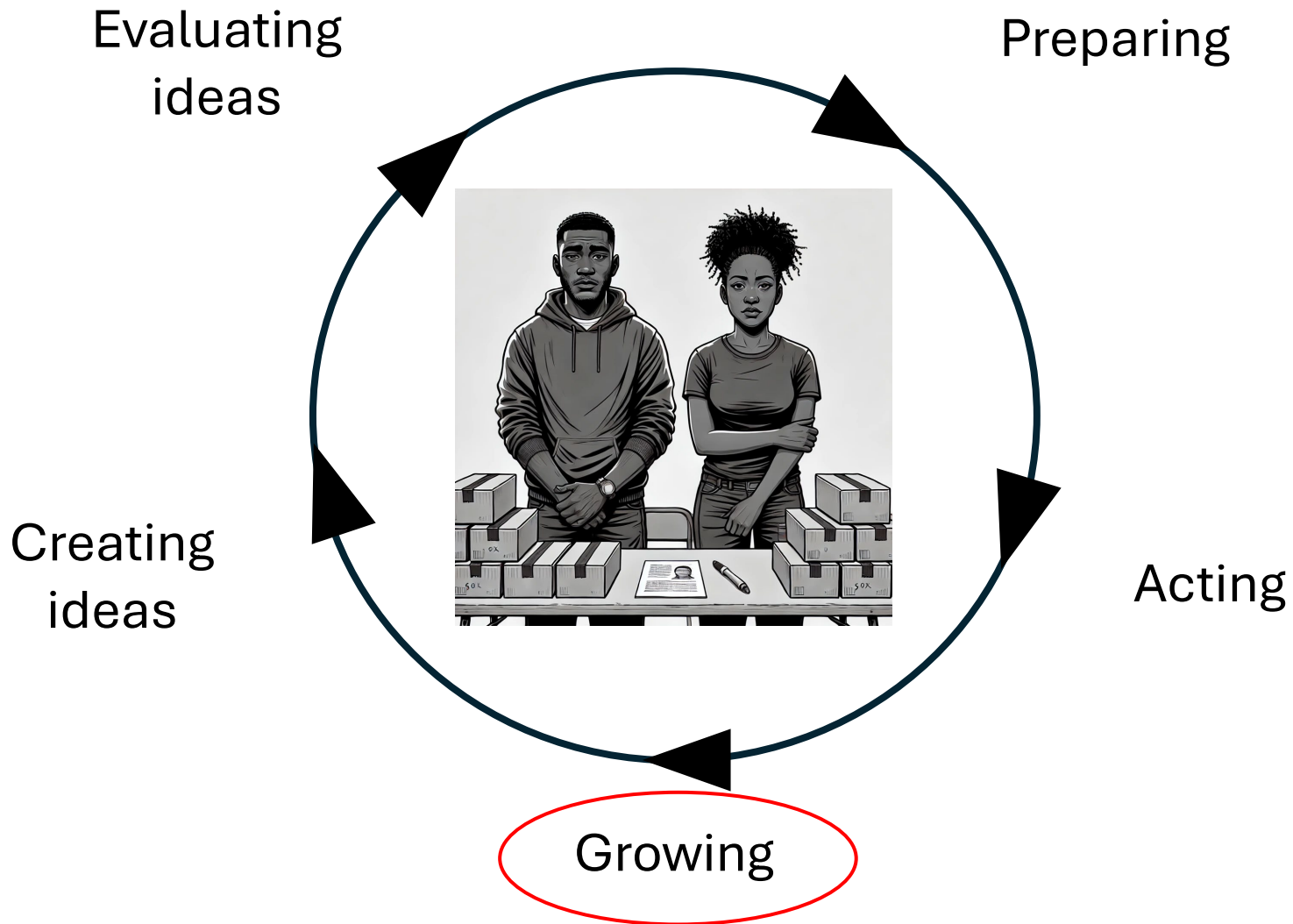
Step 3: Set one or more shorter-term SMARTIR goal(s) for sometime in the next three months that help you move toward that one-year goal.

Step 4: Share your goals again and make them more RIP'd!

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Entrepreneurial process



Addressing problems

Big or persistent problems can be intimidating and can lead an entrepreneur to lose hope

You can help to overcome big/persistent problems by writing them down and closely analyzing them



Step 1: Define the problem by writing it out and by analyzing the 5Ws

Step 2: Think about innovative/creative solutions to the problem

Addressing problems

Big or persistent problems can be intimidating and can lead an entrepreneur to lose hope

You can help to overcome big/persistent problems by writing them down and closely analyzing them



Step 1: Define the problem by writing it out and by analyzing the 5Ws

Step 2: Think about innovative/creative solutions to the problem

Defining & analyzing the problem

*Write the problem
out in one
sentence*

Aspect	Example questions to ask
Who	Who is involved, and who is not, involved in the problem?
What	What type of problem is it? What other issues are involved?
Where	Where does the problem take place, and not take place?
When	When does the problem take place, and when does it not take place?
Why	Why is the problem happening? Is there a deeper reason?



*Insight can come
from thinking in
detail about the
problem*

Defining & analyzing the problem: worked example

Crime is high in the neighborhood and Mr. & Mrs.'s B's garage where they work has been broken into three times in the last year – leading to costly repairs of the garage and the loss of tools



One sentence statement of problem: Our garage has been broken into three times in the last year – leading to repairs and the lost of tools equivalent to one month's revenue

<u>Aspect</u>	<u>Example insights</u>
Who	It is not clear who is stealing, but most people think it is people from the local area; local businesses are targeted
What	They try and steal valuable tools or electronic equipment
Where	Most of the thefts have been in our community – but on the side of town that's away from the local police station
When	The break-ins tend to be only at night
Why	Because people can resell our tools for a lot of money

Defining & analyzing the problem: worked example

When coming up with possible answers to the question “why”, ask “why” again (sometimes multiple times until you get to a meaningful insight), and concentrate only on factors that you can control



Aspect	Insights	
Why	Things you can control	Things you can't control
	<p>Because our shop is unguarded at night</p> <p>↓ Why?</p> <p>Because we don't have enough money for a security service</p>	<p>Because people can resell our tools for a lot of money</p> <p>↓ Why?</p> <p>Because the police are inefficient at their jobs</p>

Defining & analyzing the problem: worked example

When coming up with possible answers to the question “why”, ask “why” again (sometimes multiple times until you get to a meaningful insight), and concentrate only on factors that you can control



Aspect	Insights	
Why	<p>Things you can control</p> <p>Because our shop is unguarded at night</p> <p>↓ Why?</p> <p>Because we don't have enough money for a security service</p>	<p>Things you can't control</p> <p>Because people can resell our tools for a lot of money</p> <p>↓ Why?</p> <p>Because the police are inefficient at their jobs</p>

Addressing problems

Big or persistent problems can be intimidating and can lead an entrepreneur to lose hope

You can help to overcome big/persistent problems by writing them down and closely analyzing them



Step 1: Define the problem by writing it out and by analyzing the 5Ws

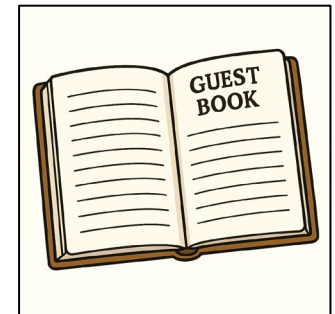
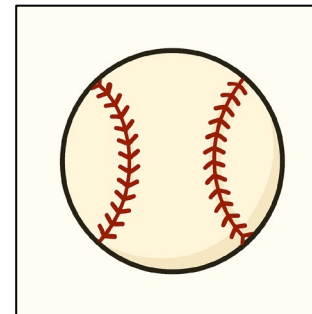
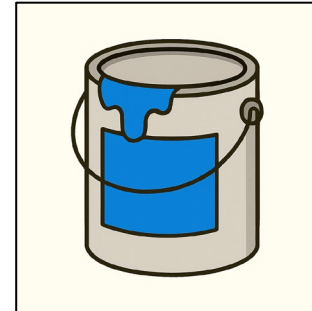
Step 2: Think about innovative/creative solutions to the problem

Using creativity



Aspect	Example insights
Who	It is not clear who is stealing, but most people think it is people from the local area; local businesses are targeted
What	They try and steal valuable tools or electronic equipment
Where	Most of the thefts have been in our community – but on the side of town that's away from the local police station
When	The break-ins tend to be only at night
Why	Because we don't have enough money for a security service

Random objects



Using creativity



Aspect	Example insights
Who	It is not clear who is stealing, but most people think it is people from the local area; local businesses are targeted
What	They try and steal valuable tools or electronic equipment
Where	Most of the thefts have been in our community – but on the side of town that’s away from the local police station
When	The break-ins tend to be only at night
Why	Because we don’t have enough money for a security service

Creative ideas:

- Adopt a guard dog from a local shelter;
- Rent out a spare room for a cheap fee to local police officers/cadets;
- Paint all valuable tools “blue” with paint.

Exercise 6: Solve a problem

Step 1: Identify an important problem that your business is already facing, that it is likely to face as you grow, or that other similar businesses are facing.

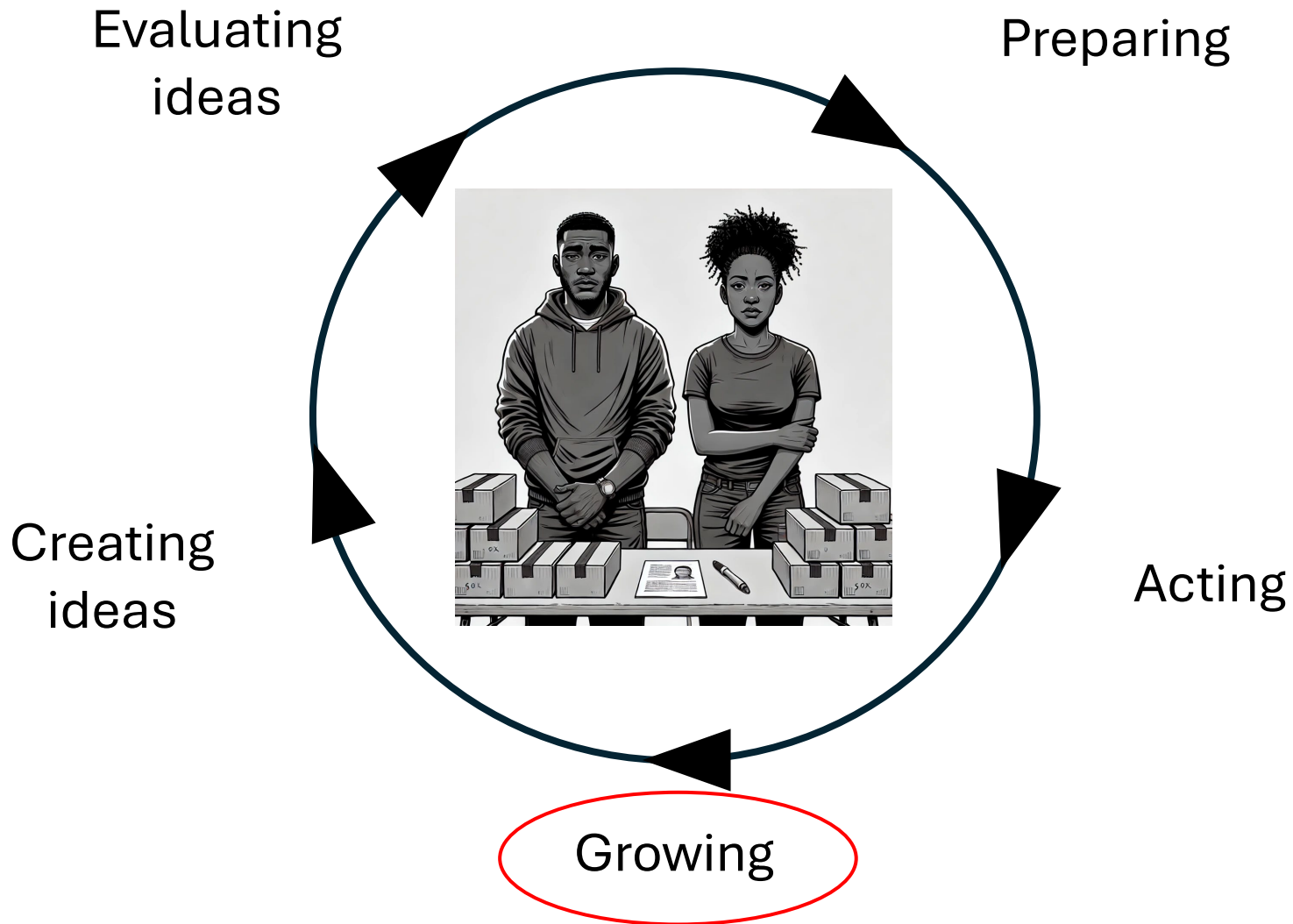
Step 2: Analyze the 5Ws of this problem;

Step 3: Come up with at least three innovative ways to solve your problem.

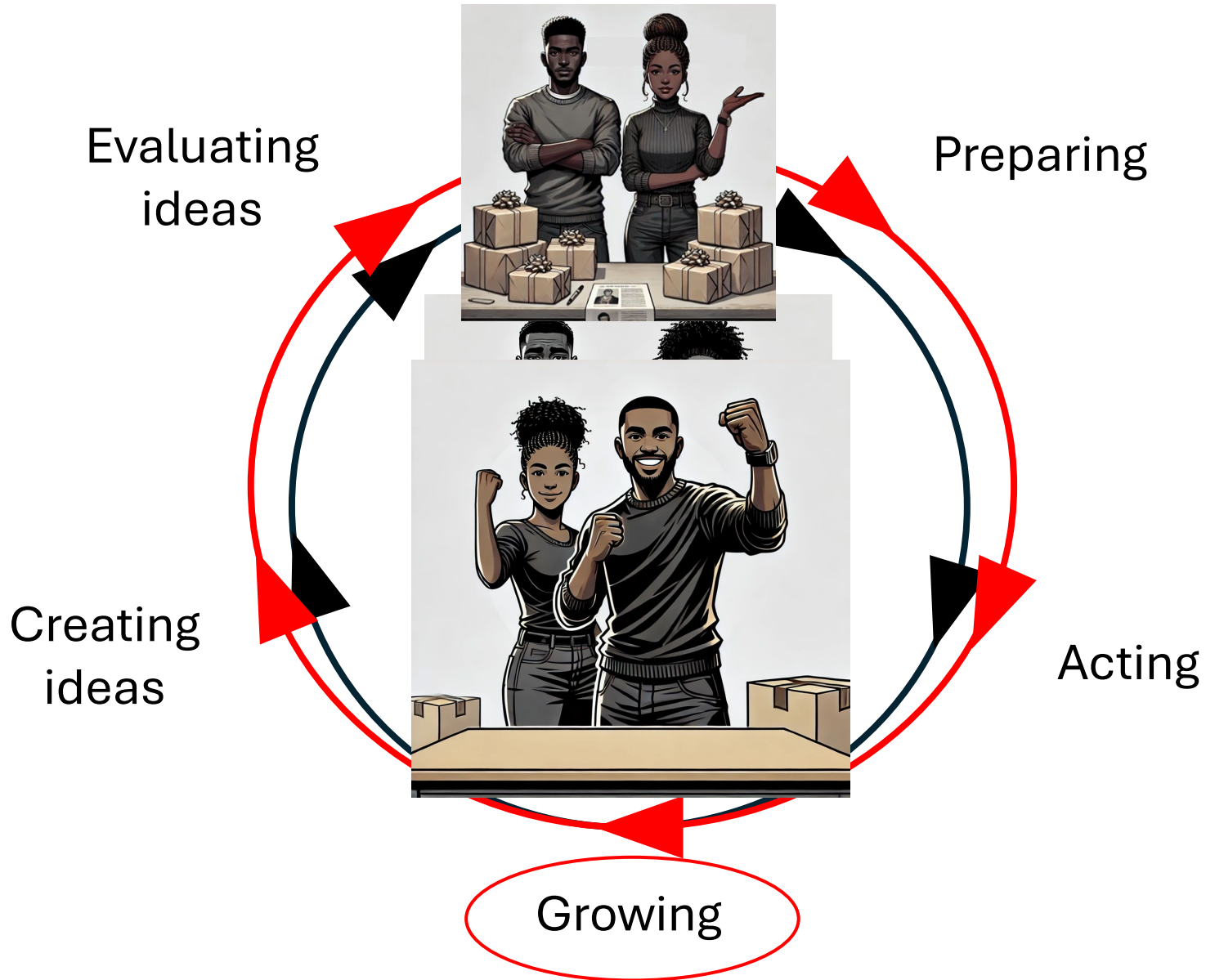
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Entrepreneurial process



Entrepreneurial process



What did we learn in this training?

The entrepreneur's process and mindset

Always be RIP'd!

Creating ideas

Problems, resources/strengths, creativity (randomness)

Evaluating ideas

REAL experiments

Preparing

Bootstrapping (remember to STRAP)

Acting

SMARTIR goals

Growing

5Ws of the problem – with a focus on what we can control and using creativity to overcome the problem

What did we learn in this training?

The entrepreneur's process and mindset

Always be RIP'd!

Creating ideas

Problems, resources/strengths, creativity (randomness)

Evaluating ideas

REAL experiments

Preparing

Bootstrapping (remember to STRAP)

Acting

SMARTIR goals

Growing

5Ws of the problem – with a focus on what we can control and using creativity to overcome the problem

Exercise 7: From idea to dealing with reality

Step 1 (Creating ideas): Develop a new idea for your existing business or a new business using steps from Exercise 2.

Step 2 (Evaluating): Develop plans to conduct a small experiment using guidelines/steps from Section 3 and Exercise 3.

Step 3 (Preparing): Plan to use resources for your idea using steps in Exercise 4.

Step 4 (Acting): Put together a plan using long-term and short-term goals (see Section 5 and Exercise 5).

Step 5 (Growing): Identify a likely/existing barrier (a problem) to your goals and develop a strategy to overcome those barriers using techniques from Section 6.