

ASSESSING THE IMPACT OF SMALL BUSINESS TRAINING ON NASCENT
ENTREPRENEURS IN ILLINOIS

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AN ABSTRACT OF THE DISSERTATION OF

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TITLE: ASSESSING THE IMPACT OF SMALL BUSINESS TRAINING ON NASCENT ENTREPRENEURS IN ILLINOIS

MAJOR PROFESSOR: Dr. John S. Washburn

Entrepreneurship has emerged as a dominant economic development strategy. Therefore, the study of business creation, also known as entrepreneurship, has become extremely important for policy makers. Previous research demonstrates a number of traits with successful entrepreneurs. However, an understanding of emerging entrepreneurs, also known as nascent entrepreneurs, is another matter.

The purpose of the study was to evaluate the extent to which perceptions of participants attending a seminar on entrepreneurship change once they attended the seminar. An assessment was made of those participants attending the seminar to determine if their desirability and intention toward starting a business changed once additional information about starting a business was presented. Ajzen's Planned Behavior Model and Peterman and Kennedy's Conceptual Model provided the foundation for the current research study.

A one-group, pre-test – post-test design was utilized to address study research questions. Three instruments were used to collect data. A pre-test was administered to participants attending the “starting a business” pre-counseling seminar immediately before the seminar took place. At the conclusion of the

seminar, a post-test was administered to participants attending the seminar. A survey was also administered to instructors of the pre-counseling seminar immediately before the seminars took place.

The study examined 310 nascent entrepreneurs who were participants in the pre-counseling seminars on how to start a business. This study took place at selected Illinois Small Business Development Centers (SBDC's) from January to April 2006. Findings indicated no statistical significance in a change of *intent* by subjects in starting a business after attending the pre-counseling seminar. While results from this study found no statistical significance in a change of *intent*, there was a change in *desirability*.

Three of eight questions related to *desirability* of starting a business were found to be statistically significant. Subjects in this study had a greater desire to start a business after attending the pre-counseling seminar. Subjects' age and gender demonstrated statistical significance with respect to perceptions.

While the study indicates desirability has been elevated as a result of the seminar, follow-up activity is needed by the SBDC to elevate intentions of nascent entrepreneurs in starting a business.

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CHAPTER 1

INTRODUCTION

While the media might portray the majority of children today aspiring to become the next Michael Jordan, Mia Hamm, or other prominent athletes, research indicates the opposite. According to a Harris Survey (2005), the dream job for children is to be founder of a company, followed by a doctor, teacher, corporate CEO, or professional athlete (as cited in USA Today, September 8, 2005). In short, many young people wish to become entrepreneurs, which is the focus of this research.

Bygrave and Hofer (1991) indicated that “an entrepreneur is someone who perceives an opportunity and creates an organization to pursue it” (p. 14).

Understanding the nature of entrepreneurs requires an understanding of their characteristics. Characteristics of entrepreneurs are distinct from those who work for others. Entrepreneurial characteristics may be related to risk taking, history of small business ownership in the family, and an ability to handle uncertainty. Anderson (2002) stated that “entrepreneurs have to be self-confident, independent, flexible, creative, knowledgeable, versatile, and diligent in order to create a successful business” (¶5).

People learn to become entrepreneurs from a variety of sources. Exposure to parental businesses and family assistance are sources. Peer groups also have proven to be valuable resources. Although rare, some school systems introduce an entrepreneurship curriculum as early as grade school.

Most structured entrepreneurial training for adults takes place in post-secondary settings. A number of options exist for those individuals. Community

colleges and universities have a variety of courses available related to entrepreneurship. However, many entrepreneurs do not have the patience to enroll in one or more semesters of classes while waiting to start their business. This stems in large part from their personalities and desire to start a business immediately. The U.S. Small Business Administration is the lead federal agency that provides resources for entrepreneurship training.

According to the United States Small Business Administration (SBA), there were 572,900 new ventures launched in 2003 (<http://www.sba.gov>). However, not all of those new ventures have been successful and sustainable. In fact, the failure rate of those firms is substantial. Timmons (1999) indicated that twenty-four percent of new ventures fail within the first two years and sixty-three percent within six years. The cost of this failure impacts the private and public sectors via bankruptcies, foreclosures, and lost tax revenue.

One option that has become increasingly popular for start-up firms are Small Business Development Centers. These Centers are often the first point of contact for potential entrepreneurs in receiving technical assistance from the public sector. They provide guidance and training to assist existing and potential small business owners. Technical assistance may include business plan development, cash flow and financial analysis, loan structuring and packaging, and government procurement assistance.

The SBA and other federal, state, and local agencies provide financial support to the Centers. Small Business Development Centers (SBDC's) are dispersed throughout the United States. Universities, community colleges, or local economic development agencies house the Centers. Chrisman and McMullan (2004) reported

that Small Business Development Centers typically offer services to all who request assistance.

There is no screening mechanism for potential entrepreneurs who request assistance. However, Rech (1999) indicated that SBDC's usually "use a self-selection mechanism that involves a pre-counseling workshop intended to screen out potential entrepreneurs who are less committed or who have an idea with low potential for success" (as cited in Chrisman & McMullan, 2004, p. 233). This screening mechanism has further allowed SBDC's a method for prioritizing client services.

Pre-counseling seminars last from two to three hours and typically require no registration fees. Seminars address a variety of issues such as the basics of business start-up, legal structure, structuring a business plan, and financing opportunities. Once individuals attend the pre-counseling seminars, they may be assigned to individual SBDC business counselors if they desire additional assistance.

It is a somewhat easy process to determine characteristics of successful entrepreneurs post hoc – after they have started a business. The success of Bill Gates at Microsoft as an entrepreneur is well documented. Larry Paige and Sergey Brin, the two founders of Google, are yet other examples. The majority of research related to the characteristics of successful entrepreneurs has been gathered post hoc. An understanding of the characteristics of potential entrepreneurs, also known as nascent entrepreneurs, is a more difficult task.

One problem with the traditional line of entrepreneurial research was that it focused on ex-post situations, on entrepreneurs who already had started a firm (Gartner, 1988). By collecting personality data on an entrepreneur after the

entrepreneurial event, the researcher makes an assumption that the entrepreneur's traits, attitudes, and beliefs do not change because of the entrepreneurial experience itself (Autio, Keeley, Klofsten, Parker & Hay, 2001). For the purpose of this research, entrepreneurial characteristics will refer to traits, attitudes, and beliefs. Desirability and intentions of potential entrepreneurs are included within characteristics. In the context of business, perceived desirability is defined as "the degree to which one finds the prospect of starting a business to be attractive (Krueger, 1993, p. 8). Ajzen (2002) stated that "a behavioral intention is the cognitive representation of a decision to perform a given behavior" (p. 109).

The majority of research associated with entrepreneurial characteristics has focused on attribution theory, social cognitive theory, theory of planned behavior, expectancy theory, and goal-setting theory. While there is no single theory that explains nascent entrepreneurial characteristics in their entirety, a number of the studies have blended theories as a means of explaining the characteristics of entrepreneurs. These theories will be used as the foundation for this research.

Researchers have evaluated desirability and intent of humans via social cognitive theory. Bandura and Locke (2003) stated that "social cognitive theory is founded on a perspective to human self development, adaptation, and change" (p. 97). This theory specifies four core features of human agency, which include intentionality, forethought, self-reactiveness, and self-reflectiveness. People form intentions that include plans and strategies for realizing them. In the context of entrepreneurs, those entrepreneurs form intentions and desires that include having the ability to succeed at starting and operating a business.

Goal-setting theory “emphasizes the role of intentions, or deliberate determinations to act, as major causes of motivated behavior” (Steers & Porter, 1991, p. 355). When relating goal-setting theory to starting a business, nascent entrepreneurs who understand the intricacies (task strategies) of starting a business may benefit from setting challenging business start-up goals. At this point, those nascent entrepreneurs with realistic and challenging goals have an advantage when starting a business compared to those who do not have realistic goals. Realistic and idealistic goals may be related to revenue generated during the first year of operation.

Goal-commitment is directly related to action. Locke, Latham, and Erez (1988) indicated that “theory as well as empirical research suggest that there is indeed a relationship between goal commitment and performance. Thus, there is a need to understand the factors that affect goal commitment” (p. 27). In the context of this study, when nascent entrepreneurs are exposed to the systematic aspects of starting and operating a business: external factors, such as peer influence; interactive factors, such as participation; and internal factors, such as expectancy; of that individual all contribute to the likelihood of opening a business.

Autio et al., (2001) stated that “the central construct of the theory of planned behavior is the individual’s intention to perform a certain behavior” (p. 147). They proposed that the theory of planned behavior is well suited to the study of entrepreneurial behavior. Ajzen (2002) further stated that “although intentions are generally good predictors of behavior, some people fail to carry out their intentions and instead revert to past patterns of behavior” (p. 119).

There is no formal research related to those participants attending the pre-counseling seminars provided by Small Business Development Centers and how the seminars immediately influenced their goals related to start-up activity. R.D. Cody (personal communication, March 1, 2005) indicated that in 2004, fifty-six percent of those attending the pre-counseling seminar were involved with some type of repeat activity within the SBDC at a midwestern university. Those percentages of repeat activity by pre-counseling seminar attendees have remained fairly constant the past fifteen years.

Those participants involved with repeat activity within the SBDC were still classified as nascent entrepreneurs attempting to start a business. No data existed for those participants who were not involved in repeat activities and whether or not goals related to start-up activities changed after attending the pre-counseling seminars. Therefore, it is unknown whether or not the participants who attended the seminar and were not heard from again were still presumed nascent entrepreneurs.

Statement of the Problem

Of those participants attending a one-time pre-counseling seminar on starting a business at a Small Business Development Center, how do those participants' perceptions toward starting a business change once they have attended the seminar?

Purpose of the Study

The purpose of the study is to evaluate the extent to which the perceptions of participants attending a pre-counseling seminar on entrepreneurship conducted by a Small Business Development Center change once they attended the seminar. More specifically, an assessment will be made of those participants attending the seminar to

determine if their perceptions toward starting a business change once additional information about starting a business is presented.

Research Questions

1. To what extent does the type of business, prior business experience, age, education, and gender influence entrepreneurial perceptions of individuals attending a pre-counseling seminar at a Small Business Development Center?
2. To what extent do seminar participants' desirability for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?
3. To what extent do seminar participants' intent for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?
4. To what extent does the participants' overall satisfaction with the seminar, the instructor, and the course materials influence their desirability and intent of starting a business?

Significance of the Problem

One of the more recent trends within community development is the notion of economic development. Economic development has several interpretations for its meaning and purpose. Generally, people agree that the meaning relates to diversifying the economy, expanding existing business, and attracting new activities. Troppe, Poole and Garmise (2004) indicated that economic development is a process over

time, enhances the quality of life for citizens, provides a rising standard of living, and provides new community and business wealth.

Community and economic development professionals view economic development as a three-legged stool. The three legs include business attraction, business retention and expansion, and business creation. In the context of this study the focus is on business creation via entrepreneurship.

Numerous studies, including Judy and D'Amico (1999) and Minnitti and Bygrave (2003), indicated that the future success of the U.S. economy will rely on entrepreneurs. However, few studies have examined goals of entrepreneurs. According to Kenworthy-U'Ren (2000), "not only have entrepreneurship researchers overlooked assessment of entrepreneurs' rating of goal dimensions, they have also, more importantly, failed to examine self-efficacy and goal progress as central tenants of the goal establishment process" (p. 11).

Given that entrepreneurship is now viewed as an economic development strategy by policy makers, the public sector has taken an active role in promoting entrepreneurship. Mokry (1988) stated that "entrepreneurship offers promise and a challenge to America. High levels of entrepreneurship and risk-taking are vital if the country is to remain competitive in a rapidly changing world economy" (p.10).

Continued development of entrepreneurship training and education has taken place at the insistence of U.S. and state policy makers. Perren and Jennings (2005) indicated that the belief in market-driven ideology and the assumption that new business ventures create jobs and foster innovation has embedded entrepreneurship into political discourse. They further postulated that academics have analyzed

government policies on entrepreneurship, but they have shared the same underlying beliefs in the function of entrepreneurs within the economic structure.

Peterman and Kennedy (2003) recognized that the impact of entrepreneurship education has remained relatively untested. University-based curricula have garnered most of the research. No substantive research on the effects of entrepreneurship curriculum exists. However, of the entrepreneurial research that exists, it relies on semester-long courses in a classroom setting.

Perlmutter and Cnaan (1995) surmised that the quest for public entrepreneurial approaches will undoubtedly become of increasing importance as public revenues are diminished and public services are questioned. Kayne (1999) indicated that the value of entrepreneurship to the overall economy and the impact of state actions on the business climate have significant implications for state officials and policy makers.

In summary, the importance of entrepreneurship is significant. Minniti and Bygrave (2003) indicated that entrepreneurship in the United States continues to thrive. These authors stated:

The large portion of entrepreneurial firms and the significant number of jobs created by smaller, newer, and growing firms in the United States are a strong indication that the entrepreneurial sector, with its flexibility and capacity to adapt quickly, is poised to become an even more important protagonist in the future economic growth of the country. (p.7)

Limitations/Delimitations

1. Survey participants were delimited to those participants in the pre-counseling seminar in Small Business Development Centers in Illinois.
2. Due to this delimitation, generalizability of data was limited to the respondents.

Definition of Terms

The following terms had specific meanings in the study. These terms and their definitions were as follows:

Behavioral Intention

“A behavioral intention is the cognitive representation of a decision to perform a given behavior” (Ajzen, 2002, p. 109).

Entrepreneur

“An entrepreneur is someone who perceives an opportunity and creates an organization to pursue it” (Bygrave & Hofer, 1991, p. 14).

Entrepreneurship

“Entrepreneurship is the ability to amass the necessary resources to capitalize on new business opportunities” (Kayne, 1999, p. 3).

Entrepreneurial Process

“The entrepreneurial process involves all the functions, activities, and actions associated with the perceiving of opportunities and the creation of organizations to pursue them” (Bygrave & Hofer, 1991, p. 14).

Expectancy Theory

“The expectancy theory of motivation advocates that motivation of an individual depends on the individual’s perception regarding his or her capability to do a particular job, the reward associated with the accomplishment of the job, and the value he or she places on the reward” (Halepota, 2005, 16).

Goal Setting

“The goal-setting approach emphasizes the role of intentions, or deliberate determinations to act, as major causes of motivated behavior” (Steers & Porter, 1991, p. 355).

Locus of Control

“Locus of control is concerned with a continuum of associations between decision outcomes and personal behaviors, attributes, or capacities. At the lower end of the continuum are internals who believe that reinforcements are contingent upon their own behavior. At the upper end of the continuum, externals believe that reinforcements are no under their personal control but rather are under the control of powerful others, luck, or fate” (Anderson & Schneier, 1978, p. 691).

Perceived Desirability

“Perceived desirability is the degree to which one finds the prospect of starting a business to be attractive” (Krueger, 1993, p. 8).

Self-Efficacy

“Self-efficacy refers to the extent to which persons believe that they can organize and effectively execute actions to produce given attainments” (Bandura, 1997 and Chen et al.,1998, as stated in Markman & Baron, 2003, p. 288).

CHAPTER 2

REVIEW OF LITERATURE AND RESEARCH

Introduction

The purpose of the study is to evaluate the extent to which the perceptions of participants attending a pre-counseling seminar on entrepreneurship conducted by a Small Business Development Center change once they have attended the seminar. This assessment will be made of those participants to determine if their perceptions toward starting a business change once additional information about starting a business is presented.

Characteristics of successful entrepreneurs are well researched and well understood. A number of characterizations of existing entrepreneurs have been formulated. However, it is a more difficult task to determine characteristics of potential entrepreneurs. Numerous researchers have attempted to identify those would-be entrepreneurial characteristics.

Kassicieh, Radosevich and Umbarger (1996) postulated that one theory focuses on the entrepreneur and his/her personal characteristics or personality traits. Another theory indicates attitudes are dominant causal factors. Attitudes may include achievement in business, innovation in business, perceived personal control of business outcomes, and perceived self esteem in business. Yet another school of thought focuses on situational variables such as geographic location, social network, and economic development incentives.

The review of literature and research for this study addresses six major segments. These segments include (a) entrepreneurship defined, (b) history of

entrepreneurship, (c) evolution of entrepreneurship education in post-secondary settings, (d) public sector's role in entrepreneurship, (e) characteristics of entrepreneurs, (f) intention and desirability of nascent entrepreneurs and (g) summary.

Entrepreneurship Defined

The classic definition of entrepreneurship is that of the individual, independent entrepreneur who assumes financial and other risks in order to exploit a new idea or product possibility (Brazeal & Herbert, 1999). Kayne (1999) was somewhat simplistic in his definition of entrepreneurship. "Entrepreneurship is the ability to amass the necessary resources to capitalize on new business opportunities" (p. 3). Others felt more power in the process of entrepreneurship. As stated by Kuratko and Hodgetts (2004):

Entrepreneurship is a dynamic process of vision change and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks – in terms of time, equity, or career; the ability to formulate an effective venture team; the creative skill to marshal needed resources; and fundamental skill of building solid business plan; and finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion. (p. 30)

While Kuratko and Hodgetts emphasized risk-taking as a major component, Brazeal and Herbert (1999) provided a contemporary view of entrepreneurship. These authors indicated that entrepreneurship is enabled by: (a) the current of potential

existence of something new (an innovation); (b) new ways of looking at old problems (creativity); (c) the decreased capability of prior processes or solutions to respond effectively to new problems brought on by new or emerging external conditions (environmental change); (d) when ideas can supplant or be complementary to existing processes or solutions (a change); and (e) when championed by one or more invested individuals (p. 34).

History of Entrepreneurship

The notion of entrepreneurship is not new. Maranville (1992) suggested that the concept of entrepreneurship has existed since the beginning of the hunter/gatherer age to the present day. Cunningham and Lischeron (1991) noted that the current word “entrepreneurship” comes from the French verb “entreprendre” and the German word “unternehmen,” both which mean to “undertake” (as cited in Carton , Hofer & Meeks, 1998, ¶ 9).

Outcalt (2000) indicated that the root of the word could be traced back as far as 800 years in French history. He further stated that “in 1730, Richard Cantillon used entrepreneur to mean a self-employed person with a tolerance for risk he believed was inherent in providing for one’s own economic well being” (¶ 3). Outcalt (2000) also said that “toward the beginning of the Industrial Revolution (1830), Jean-Baptiste Say further expanded the definition of a successful entrepreneur to include the possession of managerial skills” (¶ 3).

Soltow (1968) indicated that economic historians of the late nineteenth and early twentieth centuries “did not attempt to define explicitly the role of the entrepreneur in economic change, although they appear to have implicitly assumed

that he was an important agent” (p. 84). In this vein, the importance of entrepreneurs by economic historians was diminished from an economic development theory perspective.

Joseph Schumpeter (1934) was a renowned economist in the early to mid-1900's. He had enormous influence for the development of entrepreneurship theory and practice. McGaw (1991) as cited in Outcalt (2000, ¶5), stated that “Schumpeter’s 1912 Theory of Economic Development directed the attention of economists away from the static system and toward economic advancement. In this work, entrepreneurship is described as the primary engine of economic development.” The modern concept of entrepreneurship was explained by Schumpeter (1934, p. 74) who defined entrepreneurs and entrepreneurship as follows: “the carrying out of new combinations we call enterprise; the individuals whose function it is to carry them out we call entrepreneurs.”

Although Schumpeter had enormous influence, interpretations were expanded as time progressed. Soltow (1968) stated that “investigation of entrepreneurship as it was carried out in many historical situations, approached in diverse ways, led to a broadening of the concept of the entrepreneur beyond the classic model set forth by Schumpeter” (p. 87). In 1991, scholars Bygrave and Hofer defined the entrepreneurial process as “involving all the functions, activities and actions associated with the perceiving of opportunities and the creation of organizations to pursue them” (as cited in Carton, Hofer & Meeks, 1998, ¶ 9).

Some research, including Carton, Hofer & Meeks (1998), views entrepreneurship as a continuum. A sociological view of entrepreneurship lies on one

end of the continuum while the opposing end indicates that entrepreneurship is no more than business development. Carton, Hofer & Meeks (1998, ¶ 9) stated that “the essence of entrepreneurship is the pursuit of discontinuous opportunity involving the creation of an organization with the expectation of value creation to the participants.”

Evolution of Entrepreneurship Education in Post-Secondary Settings

Entrepreneurship education has been in existence for some time. McMullan and Long (1987) reported that in the world, applied education in entrepreneurship can be traced as far back as 1938 to Shigeru Fuji, Professor Emeritus, Kobe University, Japan. The authors also found that prior to 1953 the U.S. Small Business Administration reported that only the University of Illinois offered a course in small business or entrepreneurship development in the United States (as cited by Winslow, Solomon & Tarabishy, 1997).

Brown (n.d., p.1) asked the question “Are entrepreneurs born or are they taught? Educational institutions seem to have the answer to this question: entrepreneurs can be taught.” Timmons (1978) indicated that “some entrepreneurial characteristics can be developed, such as goal-setting, and certain role requirements can be learned, such as knowledge of a particular business” (p. 6).

Heeboll (n.d.) supported the notion of successful business formation via educational programs and industrial development programs. Hynes (1996) believed that the most fundamental issue relating to entrepreneurship education is addressing the question of whether entrepreneurship can be taught. Hynes also believed that entrepreneurship could be taught. As stated by Hynes, research conducted by Hills (1988) in a survey of 15 leading university entrepreneurship educators, “found that

their main educational objective was to increase the awareness and understanding of the process involved in initiating and managing a new business” (Hynes, p. 12).

Evidence suggests that the demand for specific, well-developed entrepreneurial training is quite strong. Seymour (n.d., p.1) further stated that “while entrepreneurship training has existed only on the fringes of academe, a growing number of community colleges, universities and business schools in the United States now provide it in several forms.” Klofsten (2000) indicated that the entrepreneurship and new business development program (ENP) in Sweden contains the following cornerstones: business plans; workshops; mentoring; supervision; networking, incubator facilities; and seed financing.

Seymour (n.d.) reported that in 1970 16 business schools had entrepreneurship programs. In 2000, the number of colleges or universities offering entrepreneurship courses reached over 1,500. Seymour found that although a small number of universities offer formal programs in entrepreneurship, most major universities offer at least one entrepreneurship course. Robinson and Haynes (1991) found further evidence of this growth in the expansion of endowed positions in entrepreneurship.

Research conducted by Davidsson and Honig (2003) followed the developmental process of nascent entrepreneurs in Sweden for approximately 18 months. Their interest was in the role of social and human capital among these nascent entrepreneurs. Findings indicated that “those individuals in the population with higher levels of bonding social capital were more disposed toward attempting to start a business enterprise” (p.323). They further indicated that business education appeared important in the entrepreneurial development process. Davidsson and

Honig also discovered that those entrepreneurs who had some type of technical assistance with a supportive agency were more likely to produce a business plan but were unable to link the production of a business plan to greater success. They concluded that their study suggested “that the facilitation and support of business networks and associations may provide the most consistent and effective support for emerging businesses” (Davidsson & Honig, p. 325).

One of the earliest entrepreneurship education studies was performed by Clark, Davis, and Harnish in 1984. These authors examined a medium-sized Midwestern, urban university. They stated that “this university initiated a program which included a variety of courses with an entrepreneurial orientation, including an introduction to entrepreneurship, comparative entrepreneurship, small business management, small business practicum, venture creation and the course relevant to the study titled *Your Future in Business*” (p. 27).

Results of the study indicated that the entrepreneurship course had an important role in the individuals’ decisions to initiate new business activity. The authors did admit that the study was flawed in that the course aided in new venture creation but could not demonstrate cause and effect. However, they did demonstrate a relationship between entrepreneurial education and new venture creation (Clark, et al., 1984).

As a starting point in the curriculum formulation process of entrepreneurship in secondary and post-secondary settings, Maranville (1992) suggested the integration of three broadly based curriculum objectives. Those objectives were; (a) the exploration of the economic nature and role of entrepreneurship, (b) the discovery

and examination of the principles of innovation, and (c) tracking the role of entrepreneurship and the principles of innovation as they occur in economic history (Maranville, 1992).

According to entrepreneurship researchers, United States economic policy and the public have been very clear in the desire to include post-secondary entrepreneurship education in curriculum. The demand for entrepreneurship education is driving entrepreneurship curriculum (Singh & Magee, 2002). The demand is coming from proposed entrepreneurs and larger corporations in need of “cross functional thinkers with entrepreneurial skills” (Sing & Magee, 2002, p. 1). Garavan and O’Cinneide (1994) asserted that entrepreneurship education and training programs are aimed directly at stimulating entrepreneurship.

Hynes (1996) surmised that entrepreneurial education incorporates both informal and formal methods. The informal aspects of entrepreneurship education are integrated within the formal aspects of education. The informal aspects focus on skill building, attribute development and behavioral changes. Kolvereid and Moen (1997) further stated that “graduates who have taken a major in entrepreneurship have stronger entrepreneurial intentions and act more entrepreneurially than other graduates. Entrepreneurship, at least to some extent, is a function of factors which can be altered through education” (p. 309).

Garavan and O’Cinneide (1994) cited seven common (formal) objectives of entrepreneurship education and training programs. Those objectives are to:

- acquire knowledge germane to entrepreneurship;
- acquire skills in the use of techniques, in the analysis of business situations, and in the synthesis of action

plans; identify and stimulate entrepreneurial drive, talent and skills; undo the risk-adverse bias of many analytical techniques; develop empathy and support for all unique aspects of entrepreneurship; devise attitudes toward change; and encourage new start-ups and other entrepreneurial ventures. (p. 5)

Chrisman and McMullan (2004) studied the usage and access of outsider assistance as knowledge resources for entrepreneurs. Outsider assistance may include successful entrepreneurs serving as mentors or providing technical assistance. These authors postulated that “the value of outsider assistance primarily comes from the opportunity for knowledge generation that it provides to an entrepreneur in the context of a specific venturing decision” (p. 231). Carter, Gartner, Shaver and Gatewood (2003) elaborated by stating that “knowledge and skills may have more of an impact on an individual’s choice of starting a business than any assumed innate desire” (p. 33).

Chrisman and McMullan’s research suggested that new ventures that received technical assistance via Small Business Development Centers experienced greater business survival rates than those in the general population. Chrisman and McMullan’s research utilized longitudinal studies and control groups to support this claim. They further implied that their review of several successful education and training programs indicated greater success for just-in-time delivery rather than a formal education program that would take years to matriculate into a start-up business.

Public Sector's Role in Entrepreneurship

Renewed focus on the importance of entrepreneurship in the United States economy has generated significant interest as a public policy perspective. Mazzarol's study (as cited in Sims and Ali, 2002), stated that "at the commencement of the new millennium small businesses are being heralded as the engine of economic growth, the incubator of innovation, and the solution to decades of persistent unemployment" (p. 242). Minniti and Bygrave (2003) reported that existing businesses have relevance for the encouragement of entrepreneurial activities. They stated that "in addition to the behavior of nascent (start-up) entrepreneurs and baby businesses (businesses less than 42 months old), an important component of a country's entrepreneurial capacity is represented by the attitude of its existing firms" (p. 6).

Many view entrepreneurship as an economic opportunity and the public sector should take an active role in promoting entrepreneurship. Mokry (1988) stated that "entrepreneurship offers promise and a challenge to America. High levels of entrepreneurship and risk-taking are vital if the country is to remain competitive in a rapidly changing world economy" (p.10).

Public policy at the national and state levels has increased the development of entrepreneurship via training and education. Perren and Jennings (2005) indicated that the belief in market-driven ideology and the assumption that new business ventures create jobs and foster innovation has embedded entrepreneurship into political discourse. They further postulated that academics have analyzed government policies on entrepreneurship, but they have tended to share the same underlying beliefs in the function of entrepreneurs within the economic development machine.

The impact of entrepreneurship is something of interest to policy makers. Perlmutter and Cnaan (1995) concluded that the quest for public entrepreneurial approaches will undoubtedly become of increasing importance as public revenues are diminished and public services are questioned. Kayne (1999) surmised that the value of entrepreneurship to the overall economy and the impact of state actions on the business climate have significant implications for state officials and policy makers.

Kayne also indicated that entrepreneurs contribute to economic and social well-being by:

developing commercializing innovative products and services that improve quality of life and position in the global economy; generating new industries and firms to replace those that have run their course; creating employment opportunities; and creating wealth that is re-invested in new economic enterprises and, through, philanthropy, in communities. (p. 1)

The SBA is viewed as the lead agency providing encouragement for entrepreneurship at the federal level. As such, the SBA utilizes agencies at the state and local levels to fulfill its objectives. For example, the SBA provides funding for over 40 Small Business Development Centers within the state of Illinois.

The SBA is also the coordinating agency for the Small Business Innovative Research Initiative. This initiative provides over \$2 billion in annual funding to technology-based small businesses in the United States. Loan guarantees from the SBA to small businesses through commercial banks are also a major initiative of this agency.

Colleges and universities also provide an outreach or extension role to the region. Koschatzky (2001) indicated that institutions of higher education are important to their respective regions by acting as knowledge producers, exchange agents, and teaching organizations. They also provide access to scientific, technological and economic networks.

Support of entrepreneurship is provided on both the federal and state level via training programs and other economic incentives is apparent. According to its official website, the SBA's mission (n.d.) is to maintain and strengthen the nation's economy by aiding, counseling, assisting and protecting the interests of small businesses and by helping families and businesses recover from national disasters. (<http://www.sba.gov>, n.d., ¶ 1)

The Illinois Department of Commerce and Economic Opportunity is the state's designated economic development and entrepreneurship development agency. This agency provides funding for an assortment of education and training activities for entrepreneurs. Educational seminars are typically provided by Small Business Development Centers within the state. As posted on the SBA's website (n.d., <http://www.sba.gov>), the mission of SBDCs in the U.S. is to:

Provide management assistance to current and prospective small business owners. SBDCs offer one-stop assistance to individuals and small businesses by providing a wide variety of information and guidance in central and easily accessible branch locations. (¶ 1)

Illinois typically locates its small business development centers within community colleges or universities. This is done for a variety of reasons. Community

colleges have geographic boundaries that include virtually all areas within the State. Small business development centers within universities may have a slightly different focus. Universities promote entrepreneurial activity and regional growth in ways that affect new industry formation (Eisenhardt & Company's, 2002).

Economic development activities related to entrepreneurship in higher education are promoted in a number of ways. One economic development strategy to educate entrepreneurs is to provide just-in-time delivery. This delivery is via training activities and not the traditional 16 week semester provided by community colleges and universities. Just-in-time delivery may include a one week intensive entrepreneurship training class in a community that has just experienced a manufacturing plant closure. This format may also include a three-hour seminar to entrepreneurs introducing equity capital as a viable growth strategy immediately after a regional equity fund has been capitalized.

Entrepreneurship and small business education is also supported through free online courses, national training events, online universities and college courses. One example is *The Basics of Going into Business* seminar. The seminar is described as:

A full day workshop which examines the fundamentals of opening and operating a successful small business. The material is geared toward those considering going into business, and those at the beginning stages of small business development. Topics include: fundamentals of owning a business, legal matters, insurance, marketing and selling, financial basics, the business plan, accounting, insurance and taxes. (<http://www.sba.gov>, ¶ 1)

Linkage between Economic Development and Entrepreneurship

Traditional economic development practitioners take a three-pronged approach to improving their defined economic market. The first prong is titled business attraction. Business attraction strategies, such as obtaining that new automotive plant, are easy to justify and the return on investment is easy to grasp for constituents. The number of construction jobs created as a result of a new plant and the number of factory and office workers created once the plant is completed are prominent indicators.

The second economic development approach is to use a business retention and expansion strategy. This approach places an emphasis on retaining those existing businesses in the defined region. The fear of business relocation or closure and the subsequent impact created are drivers for this strategy. Return on investment indicators include the number of jobs saved or created as a result of existing business expansion.

The third economic development approach to use is one of business creation. This approach usually emphasizes the entrepreneurial spirit of those willing to undertake a new business. Return on investment indicators also include the number of jobs created. Unfortunately, little, if any, formal research related to integration of this strategy with university curriculum as an outreach or extension effort has taken place. Krueger, Reilly and Carsrud (2000) adequately described this approach. These authors state that:

Economic and community development hinges not on chasing smokestacks, but on growing new businesses. To encourage economic development in the

form of new enterprises we must first increase perceptions of feasibility and desirability. Policy initiatives will increase business formations if those initiatives positively influence attitudes and thus influence intentions. The growing trends of downsizing and outsourcing make this more than a sterile academic exercise. (p. 412)

Economic development has several interpretations for its meaning and purpose. Generally, people agree that the meaning relates to diversifying the economy, expanding existing business, and attracting new activities. Economic development is a process over time, enhances the quality of life for citizens, provides a rising standard of living, and provides new community and business wealth (Troppe, Poole, & Garmise, 2004).

Typical economic development strategies for a region include all three legs of the economic development stool: (a) business attraction; (b) business retention and expansion; and (c) business creation. Business creation is most closely aligned to entrepreneurship. A survey of entrepreneurs and small business managers in northeast Louisiana, indicated that the study of entrepreneurship would not only be beneficial to students but as a sound economic development strategy (Dunn & Short, 2001). Huffman and Quiqley (2002) further suggested that the university is important in attracting human capital to the local area and in stimulating entrepreneurial talent. In addition to entrepreneurship classes, they indicate other support to stimulate this growth. This support includes university supported business incubators, business plan competitions and networking events.

Clark et al., (1984) indicated that “one of the justifications for entrepreneurial education is the contribution that it can make to the health of the marketplace” (p. 29). However, few studies have reported the use of entrepreneurship education as an economic development strategy from within the university and the external environment. Many successful entrepreneurs have started as college students and created their own companies, becoming millionaires and billionaires in the process.

In explaining the connection between economic development and entrepreneurship, Mokry (1988) explained the entrepreneurial model of economic development policy as one that:

assumes that new small firms have a large and untapped potential to improve the health of local economies. To take advantage of this potential, state and local governments must themselves become entrepreneurial by adopting risk-oriented, innovative, and flexible ways of helping new firms start and grow. (p. 8)

Economic development professionals are aware of the changing environment. This changing environment not only dictates whether or not a person works in a small business or large corporation, but the characteristics those individuals possess. Judy and D’Amico (1999) stated that:

Workers will change jobs more often. Rapid changes dictated by competitive pressures will force companies to evaluate their staffing needs constantly, which will lead to frequent re-sizing of their workplaces. As a result, workers will change jobs, employers, and even occupations more often than in the

past. Moreover, workers in all occupations will need to prepare themselves mentally and professionally for this uncertainty. (p. 49)

Increased job turnover, however, may lead to more entrepreneurial risk taking by the job movers in the future.

Characteristics of Entrepreneurs

No two entrepreneurs are exactly alike. However, there appears to be some consistency with the characteristics of entrepreneurs. This section introduces several of those characteristics. Characteristics may be related to risk taking, history of small business ownership in the family, and ability to handle uncertainty.

The majority of research associated with entrepreneurship characteristics has included attribution theory, social cognitive theory, theory of planned behavior, expectancy theory, and goal-setting theory. While there is no single theory that explains entrepreneurial characteristics in its entirety, blended theories are often used to explain those characteristics.

One view of the nature of entrepreneurship is to see it as an organizational phenomenon; the process of organization creation. In this sense, entrepreneurship emerges from within an organization (Gartner, Bird & Star, 1992). These authors stated that “the connection between entrepreneurship and organizational behavior is the link between the phenomenon of organizational emergence and the phenomenon of the already-in-existence organization” (p. 15). Gendron (2004) indicated that in the workplace in some measure, everybody is an entrepreneur. Klofsten (2000) postulated that it is possible to stimulate entrepreneurial behavior in many ways and this stimulation leads to something positive.

While the above observations may be true, there appear to be three factors that appear to influence the decision to become an entrepreneur. Dyer (1994) stated that:

These factors have either an individual, social or economic basis. Individual factors include the ability to take risks and a tolerance for ambiguity. Social factors often come from families where father or mother was self-employed. Family support has an impact. Economic growth that creates business opportunities can also spawn entrepreneurial careers. (p. 10)

Aldrich and Martinez (2001) indicated three advances in understanding the entrepreneurial process for successful entrepreneurs. Those advances include:

First, knowledge is just as vital capital for entrepreneurs, and they are forced to learn at a significantly faster pace than people in non-entrepreneurial organizations. Second, although the availability of resources motivates entrepreneurs and protects them from rough times in the beginning, most start-ups begin with very little besides knowledge. Finally, the ideal combination for acquiring both knowledge and resources is a blend of diverse and strong connections with other individuals and organizations. (p. 48)

Uncertainty is another characteristic of entrepreneurs that merits attention. Wu and Knott (2005, p. 3) proposed that “there are two distinct sources of uncertainty in entrepreneurial ventures; 1) uncertainty regarding market demand, and 2) uncertainty regarding one’s own entrepreneurial ability.” They further postulated that entrepreneurs display risk with respect to demand uncertainty, but exhibit overconfidence or risk seeking with respect to ability uncertainty.

One of the challenges in entrepreneurship research is to understand how individuals orient themselves as entrepreneurs. Dyer indicated that many time those who engage in entrepreneurial activities do not define themselves as entrepreneurs. Dyer (1994) asserted that:

One's orientation to an entrepreneurial role occurs in two stages. The first stage concerns the acceptance by an individual of what might be called the general entrepreneurial role. If they create and own an organization, they have accepted an entrepreneurial role. The second stage in the development of an entrepreneurial role is what might be called the creation of a specific entrepreneurial role. (p. 7)

Higher education professionals have made an attempt to understand characteristics of entrepreneurs. Once a decision has been made to become an entrepreneur, some nascent entrepreneurs decide to start their business immediately. Others decide to obtain some type of training in a post-secondary setting. A number of options exist for those individuals. Community colleges and universities have a variety of courses available related to entrepreneurship. However, many entrepreneurs do not have the patience to sit through one or more semesters of classes while waiting to start their business. This stems in large part from their personalities and desire to start a business immediately. Entrepreneurs are usually seeking rapid growth, immediate and high profits and a possible quick sellout with a large capital gain (Winslow, Soloman & Tarnishy, 1997).

Entrepreneurship is a local process that is shaped and constrained by immediate resources and cultural understandings (Eisenhardt & Companys, 2002).

Delmar and Davidsson (2001) investigated factors about entrepreneurship that included: parental occupation, gender, ethnicity/race, education and work experience, and psychological profile. Markman and Baron (2003) suggested that to the extent that entrepreneurs are high on a number of distinct individual-difference dimensions relative to the entrepreneurial role (e.g., self-efficacy, opportunities recognition, perseverance, human and social capitals, and social skills), the closer will be their entrepreneurship fit and, consequently, the greater their success.

Challenges to entrepreneurship range from the abstract to the concrete. Entrepreneurs often work in situations that are, by definition, new, unpredictable, complex, and subject to high time pressures (Baron, 2000). Sims and Ali (2002) indicated that the most frequently mentioned challenge to business start-ups is access to finance.

Innovation and education are two traits of entrepreneurs. The ability to generate innovative business ideas is viewed as a necessary but not sufficient condition for entrepreneurs who develop wealth-creating businesses with sustainable competitive advantages based on the innovativeness of their products or processes (DeTienne & Chandler, 2004). Robinson and Sexton (1994) found that business owners are more educated than the general public (as cited in Peterman and Kennedy, 2003).

Despite the relationship demonstrated between the level of education and business ownership, it has been argued that formal education in general does not encourage entrepreneurship. Further arguments are made between size of organization and its nuances. Emerging organizations are not smaller, incomplete

versions of existing organizations, but unique states of existence with organizational properties that are arranged in a fundamentally different way from an existing organization (Gartner, et al., 1992). The role of attribution processes in sustaining entrepreneurial behavior is likely to be different depending on whether the particular business being organized is the entrepreneur's first venture or a subsequent one (Shaver, Gartner, Crosby, Bakalarova, & Gatewood, 2001).

Family history has relevance in starting a business. Subjects reporting significant exposure to family business differed significantly from other subjects in intentions and attitudes toward entrepreneurship and entrepreneurship-associated personality traits (Krueger, 1993). Individuals with a parent entrepreneurial role model were higher in achievement motivation, risk-taking propensity and innovation, had a stronger internal locus of control orientation than individuals without this type of primary model (Scherer & Adams, 1989).

Previous research also indicates that gender is a factor when starting a business. Matthews and Moser (1996), found that "in terms of being an entrepreneur or owning a business, males still show a higher level of interest than females" (p. 32). The rate of entrepreneurship increased in the early 2000s for men but not for women (Fairlie, 2005). Males with a family history of owning a business appear to be more interested in small businesses themselves than females with similar backgrounds (Matthews & Moser, 1996).

While research studies have employed demographic variables with identification of entrepreneurs, this approach must be viewed with caution. The underlying assumption of identifying entrepreneurs using demographic data is

hypothesized as an effective way of predicting success based on the characteristics of current successful business owners (Robinson, Stimpson, Huefner & Hunt, 1991).

The use of demographics to predict entrepreneurship is weak in three areas. First is the assumption that our behavior is directly affected by our race, gender, or birth order. Secondly, some researchers use demographic characteristics as replacements for personality characteristics. And lastly, the use of demographics in predicting entrepreneurship is not valid in relation to criteria developed through existing social science research (Robinson et al., 1991). The intentions of entrepreneurs are often affected by factors that are subject to change. These differ from demographic information that is unchangeable (Kolverid, 1996).

Research has shown that cognitive factors are not the only traits that should be evaluated. Baron (2000) indicated that growing evidence suggested that successful entrepreneurs can be identified by both cognitive and social factors. Bird and Jelinek (1988) stated the need for a behavioral, process-oriented model of entrepreneurship. Bird and Jelinek (1988) further presented a model of intentional action including five facets. “Those facets include: decisions which structure resources including time, vision and focus, flexibility of focus; flexible behavior; temporal agility; and interpersonal influence” (p. 21). Each facet contains differing levels of importance with each individual.

Hatten and Ruhland (1995) reviewed a cooperative arrangement between colleges, universities, small business, and the U.S. Small Business Administration. The authors found that students who possessed an internal locus of control developed

a more positive attitude toward entrepreneurship after they participated in a described cooperative program than students who did not possess an internal locus of control.

Anderson and Schneier (1978) explained that “locus of control is concerned with a continuum of associations between decision outcomes and personal behaviors, attributes, or capacities” (p. 691). Those individuals with an internal locus of control believe that they have a large part of determining their own destiny. Individuals with an external locus of control believe that reinforcements are under the control of powerful others, fate, or luck.

Krueger (1993) indicated in his research that exposure to entrepreneurial activity seemed to change people. He further stated that entrepreneurs exhibit a strongly internal locus of control. Anderson and Schneier (1978) explained that:

Locus of control is concerned with a continuum of associations between decision outcomes and personal behaviors, attributes, or capacities. At the lower end of the continuum are internals who believe that reinforcements are contingent upon their own behavior. At the upper end of the continuum, externals believe that reinforcements are no under their personal control but rather are under the control of powerful others, luck, or fate. (p. 691)

Hatten and Ruhland (1995) also discovered that student age was a factor in changing “would be” entrepreneurs’ attitudes toward entrepreneurship. The cooperative arrangement under review had a more powerful influence on students in the 20-22 year age bracket in producing a positive change in their attitude toward entrepreneurship.

Brockhaus (1980) admitted that as the entrepreneur becomes more aware of his business environment, he realizes that the venture has become more risky than he originally perceived it. Brockhaus (1980) further stated that “risk taking propensity may not be a distinguishing characteristic of entrepreneurs” (p. 509).

Self-efficacy is an attribute of personal competence and control in a given situation. Research into self-efficacy suggests that people who believe they have the capacity to perform will perform (Shepherd & Krueger, 2002). Bandura and Chen indicated that “self-efficacy refers to the extent to which persons believe that they can organize and effectively execute actions to produce given attainments” (as stated in Markman & Baron, 2003, p. 288).

Entrepreneurs high in self-efficacy will outperform those who are lower on this dimension (Markman & Baron, 2003). This rationale is based on social cognitive theory and a rich body of research in applied psychology showing that adaptive human functioning is motivated, regulated, and directed by the ongoing exercise of self-efficacy. Boyd and Vozikis (1994) earlier confirmed that “people who perceive a high sense of self-efficacy set more challenging goals for themselves and possess a stronger commitment to these goals” (p. 72).

Closely related to social cognitive theory and self efficacy is the idea of goal-setting theory. Locke et al. (1988) indicated that “theory as well as empirical research suggest that there is indeed a relationship between goal commitment and performance. Thus, there is a need to understand the factors that affect goal commitment” (p. 27). When nascent entrepreneurs are exposed to the mechanical aspects of starting and operating a business, external factors, interactive factors, and

internal factors of that individual all contribute to the likelihood of opening a business.

External factors include authority, peer group influence models, and external rewards and incentives. Internal factors include expectancy, self-efficacy and internal rewards. Interactive factors include group participation in setting goals (Locke, et al., 1998).

These authors indicated that “expectancy, operant, and social learning theorists would all agree, at least by implication, that commitment to actions is affected by incentives and rewards” (p. 29). Earley, Connolly and Lee’s (1989) research on goal setting indicated that challenging goals may not be beneficial when effective task strategies are not readily identifiable. They stated that “at least four possible mechanisms, acting single or in combination, might cause an individual accepting a specific, difficult task goal to subsequently perform that task better: simple motivation; effort directing; strategy search simulation; and evaluating strategy quality” (p. 590). When related to starting a business, those entrepreneurs who do not understand the intricacies (task strategies) of starting a business may not benefit from setting challenging business start-up goals.

Intent and Desirability of Nascent Entrepreneurs

There have been several entrepreneurship research studies evaluating desirability and intent of students to start a business once they have completed an entrepreneurship course or program at a university. Those students were typically classified as traditional students in the 18-22 age groups. Little research has been

conducted evaluating desirability and intent of non-traditional students after completion of non-credit entrepreneurship courses or seminars.

Considerable research has taken place with respect to self-efficacy and entrepreneurship. Krueger and Brazeal (1994) noted that self-efficacy is the perceived personal ability to execute a target behavior. Many elements of the theory of planned behavior are similar to the ones proposed in expectancy theory. Expectancy theory proposes three main antecedents of entrepreneurial intentions, namely, perceived feasibility, perceived desirability, and propensity to act (Autio, et al., 2001).

Ajzen (2002) offered that intention of an action is assumed to be the immediate antecedent of behavior of that action. Autio et.al., (2001) also surmised that the theory of planned behavior is well suited to the study of entrepreneurial behavior. Ajzen (2002) admitted that:

although intentions are generally good predictors of behavior, some people fail to carry out their intentions and instead revert to past patterns of behavior. The usual explanation for this phenomenon is that the behavior in question has become habitual, has come under the control of stimulus cues, and no longer conforms to intentions. (p. 119)

Refer to Figure 1 for a description of Ajzen's theory of planned behavior.

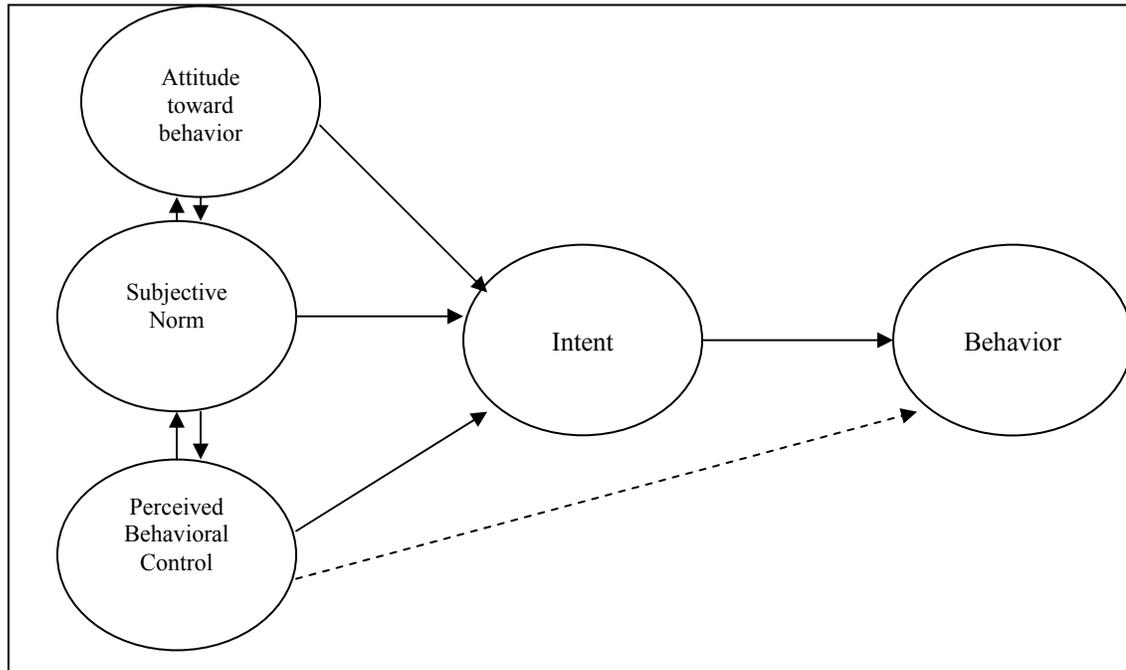


Figure 1. Illustration of Ajzen's theory of planned behavior (Ajzen, 1991)

Bird and Jelinek (1988) stated that “intentionality is a state of mind, directing attention, experience, and action toward a specific object (*goal*) or pathway to its achievement (means)” (p. 21). Boyd and Vozikis (1994) expanded this definition by stating that “entrepreneurial intentions are further structured by both rational/analytic thinking (goal-directed behavior) and intuitive/holistic thinking (vision)” (p. 63). The research on entrepreneurial intent, has, by necessity, had to assume that intentions predict entrepreneurial behavior (Autio, et. al., 2001). Goal setting, communication, commitment, organization and other kinds of work are guided by entrepreneurs’ intentions (Bird, 1988).

Morrison, Breen, and Ali (2003) took a slightly different approach in analyzing entrepreneurs and their intentions. Their model reviewed intention, ability

and opportunity in evaluating small business growth factors. “The intention is formed, drawing from the owner-manager’s personal and demographic variables and internal value system” (Morrison, et. al., 2003, p. 423).

One of the challenges in determining success of an entrepreneurial training program is in its subjectivity. McMullan, Chrisman and Vesper (2001) stated that “it would appear that if a major purpose of an entrepreneurial course is to assist people to start or develop businesses rather than to just increase their appreciation of entrepreneurship, the measures used to assess such courses should be related to intent” (p. 48). They did not believe subjective concerns, such as client satisfaction, was a true economic impact indicator.

Attribution measures are generally correlated and in some cases, strongly correlated, with objective performance measures. “Since attribution measures are based on clients’ perceptions of specific economic outcomes of assistance programs, their findings suggest that from the clients’ perspective there is a cause and effect relationship between assistance and performance” (McMullan, Chrisman & Vesper, 2001, p. 50).

Research has further evaluated intent of humans via social cognitive theory. Bandura and Locke (2003) stated that “social cognitive theory is founded on a perspective to human self development, adaptation, and change” (p.97). This theory specifies four core features of human agency, which include intentionality, forethought, self-reactiveness, and self-reflectiveness. People form intentions that include plans and strategies for realizing them. Entrepreneurs, as a subset, form those

intentions. They believe that they have the ability to succeed at starting and operating a business.

Locke and Latham (2004) presented a number of recommendations for building theories of work motivation that were viewed as more valid, more complete, broader in scope and more useful to practitioners than existing theories. They correlated the idea of intent and goal commitments. "People who have an intent must still choose to act on it, and for many reasons they may not do so. Similarly, people who claim to be committed to their goals may not act to achieve them" (p. 400).

Krueger (1993) concentrated on measuring the effect of prior entrepreneurial exposure, through perceptions of feasibility and desirability, on intention. Previous research challenged post hoc measurement, however. Gartner (1988) indicated that a problem with the characteristic line of entrepreneurial research was that it focused on ex-post situations, on entrepreneurs who already had started a firm. By collecting personality data on an entrepreneur after the entrepreneurial event, the researcher makes an assumption that the entrepreneur's traits, attitudes, and beliefs do not change because of the entrepreneurial experience itself as posed by Autio et al., (2001).

To a great extent, desirability is also based on expectancy theory. Issac, Zerbe and Pitt (2001) suggested that "individuals, acting through self-interest, adopt courses of action perceived as maximizing the probability of desirable outcomes for themselves" (p. 212). They further indicated that, through the expectancy theory model, an individual feels motivated when three conditions are perceived: "1) the personal expenditure of effort will result in an acceptable level of performance; 2) the

performance level achieved will result in a specific outcome for the person; and 3) the outcome attained is personally valued” (p. 216).

Gatewood, Shaver, Powers and Gartner (2002) investigated the entrepreneurial expectancy, effort-performance linkage involving 179 undergraduate business students at a large Midwestern university. Results indicated that the type of feedback (positive versus negative) that individuals received regarding their entrepreneurial ability (regardless of actual ability) changed expectancies regarding future business start-up, but did not alter task effort or quality of performance. Individuals receiving positive feedback about their entrepreneurial abilities had higher entrepreneurial expectancies than individuals receiving negative feedback. They also found that males had higher expectancies regardless of experimental condition than females (Gatewood, et al., 2002).

Gatewood et al., (2002) hypothesized that an individual who questions his or her ability to succeed with an entrepreneurial task, particularly when the risks are immediately evident, will be less likely to expend the effort needed to be successful than a person with confidence in his or her ability, particularly when it is externally reinforced.

Research conducted by Peterman and Kennedy (2003) examined the effect of participation in an enterprise education program in Australia. Their focus was on perceptions of the desirability and feasibility of starting a business. Subjects were secondary students enrolled in the Young Achievement Australia Enterprise Program. This program is modeled after the Junior Achievement program in the United States.

Peterman and Kennedy (2003) stated “after completing the enterprise program, participants reported significantly higher perceptions of both desirability and feasibility. The degree in changes in perceptions is related to the positiveness of prior experience and to the positiveness of the experience in the enterprise education program” (p. 129). Refer to Figure 2 for a description of the conceptual model developed by Peterman and Kennedy.

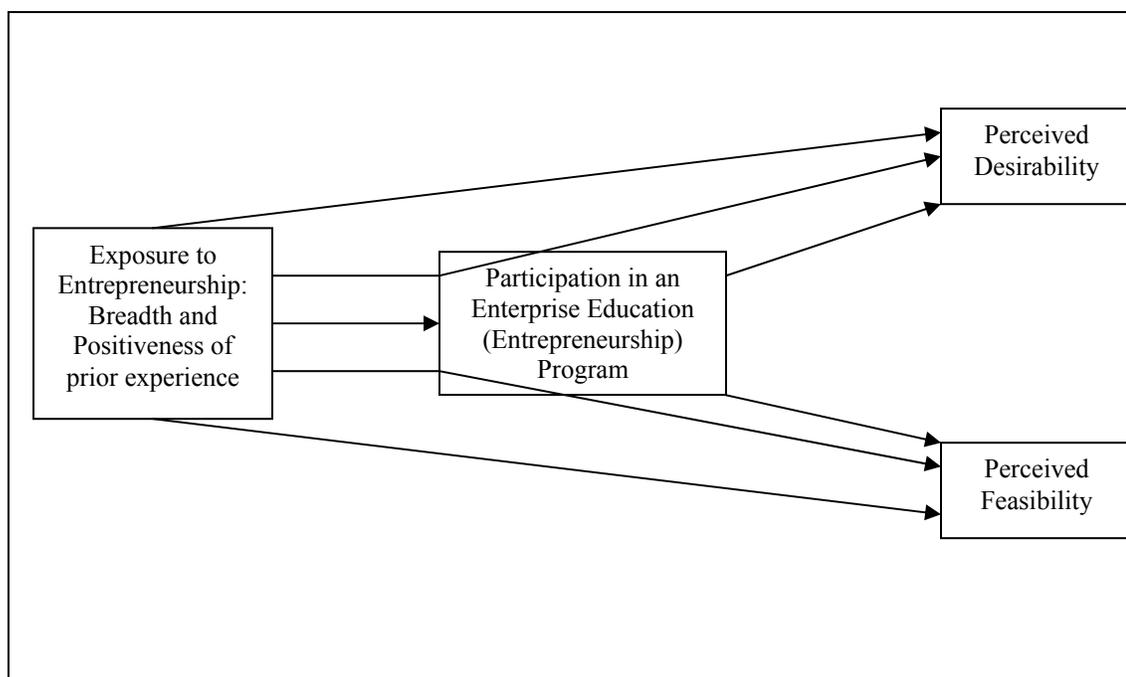


Figure 2. The Conceptual Model (Peterman and Kennedy, 2003)

The impact of entrepreneurship education has remained relatively untested. University-based curricula have been the most researched curricula of entrepreneurship. However, there has been little rigorous research on the effects of entrepreneurship seminars when evaluating those attending the seminars (Peterman & Kennedy, 2003).

Although cognitive forces help to explain and predict future activity, tangible outputs in the way of business start-up are desired. Aldrich and Martinez (2001) indicated that theory is moving away from the figure, characteristics, and intentions of entrepreneurs themselves to concentrate more on their actions and outcomes. Baron (2000) also surmised that entrepreneurs may have less need for cognition, as they often prefer action to systematic thought.

Summary

Characteristics of potential entrepreneurs are difficult to assess. Previous research demonstrates a number of characterizations with successful entrepreneurs. However, understanding of nascent entrepreneurs is another matter.

While Timmons (1978) identified fourteen dominant characteristics of successful entrepreneurs, a review of the literature in this section emphasized risk taking, goal setting, history of small business ownership in the family, gender, ability to handle uncertainty, and internal locus of control.

Gatewood et al. (2002) indicated that only in an experimental context is it possible to eliminate the possibility that among entrepreneurs, it is their prior success that influences their expectancies, which, in turn, affect their subsequent success. There is a paucity of research evaluating the extent that perceptions of entrepreneurs will change once exposed to receiving additional information via a classroom experience. The following section establishes the methodology in determining any changes in perceptions of nascent entrepreneurs.

CHAPTER 3

RESEARCH METHODS

The purpose of the study is to evaluate the extent to which the perceptions of participants attending a pre-counseling seminar on entrepreneurship conducted by a Small Business Development Center change once they have attended the seminar. More specifically, an assessment was made of those participants attending the seminar to determine if their perceptions toward starting a business change once additional information about starting a business is presented.

Statement of the Problem

Of those participants attending a one-time pre-counseling seminar on starting a business at Small Business Development Center, how do those participants' perceptions toward starting a business change once they have attended the seminar?

Research Questions

1. To what extent does the type of business, prior experience, age, education, and gender influence entrepreneurial perceptions of individuals attending a pre-counseling seminar at a Small Business Development Center?
2. To what extent do seminar participants' desirability for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?
3. To what extent do participants' intent for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?

4. To what extent does the participant's overall satisfaction with the seminar, the instructor, and the course materials influence their desirability and intent of starting a business?

Research Methodology

This study utilized a pre-experimental design for the population sample, also known as a one group, pretest-posttest design, or sample of convenience. Three instruments were used for this study. A pre-test was administered prior to the pre-counseling seminar to those subjects in attendance. A post-test was administered to subjects immediately after the pre-counseling seminar. Both the pre-test and post-test instruments were developed by combining several existing instruments. An instructor survey was also administered to seminar instructors.

The importance of experimental research in establishing internal and external validity is paramount. As Banks eloquently stated (1964, p.40) "the goal of experimental design is the confidence that it gives the researcher that his experimental treatment is the cause of the effect he measures." He further indicated that factors affecting internal validity can be seen with pre-experimental designs. True experimental designs typically reduce problems with internal and external validity. Marriott (1998) stated that "the essence of experimental research is the examination of causal relationship with direct control of dependent variables" (p. 153).

While true experimental designs are desired with most research, in many instances, it is not possible. Sackett and Mullen (1993) agreed that true experimental designs are the preferred strategy. However, they indicated that "a pre-experimental design, paired with careful investigation into the plausibility of various threats, is still

better than no evaluation at all, given that organizations must make decisions about future training efforts with or without evaluation data” (p. 621).

Sackett and Mullen (1993) addressed the issue of smaller populations and the problems that a smaller control group may encounter when compared to no control group. “Many training programs are undertaken in settings in which small numbers of trainees are available for study, and traditional evaluation designs may have inadequate statistical power” (Sackett & Mullen, 1993, p. 626).

Street (1995) indicated that there are recommended uses for the one group pre-test-posttest design. She stated that this type of design is “appropriate when the researcher is attempting to change a behavior pattern or internal process that is very stable” (p. 186). According to Street (1995) another appropriate use is “when the behavior pattern or characteristic is out of the ordinary or extremely resistant to change” (p. 186).

Subjects

The sample for this study included 310 attendees of a pre-counseling seminar on the basics of starting a business. The seminars were offered at the majority of 42 Small Business Development Centers within the state of Illinois. This research surveyed a sample within the state who attended the seminars between the last week in January 2006 through the second week of April 2006. Inferences made from this study were limited by this selective sample population. Pre-counseling seminars are typically provided by 75% of the Small Business Development Centers on a regular basis. The seminars take place an average of two per month (M.A. Petrilli, personal communication, October 28, 2005). Therefore, it is estimated that approximately

1,600 individuals in the state of Illinois attended pre-counseling workshops during the selected time period.

The stratified sample was selected by regions as designated by the state of Illinois. Location was the stratification variable. As Glasserman, Heidelberger, and Shahabuddin (1999) explained, “in stratified sampling, one draws samples from a distribution while ensuring that the fraction of samples falling each of a collection of prespecified sets – the strata – matches the theoretical probability of that set” (p. 43).

While true random sampling may be preferred, stratified sampling has its advantages. Cheng and Davenport (1989) stated that “stratified sampling is perhaps the most natural of the variance reduction techniques” (p. 1278). Glasserman et. al. (1999) also stated that “such stratified ensures a more regular sampling pattern and therefore reduces variance” (p. 43). Bosch and Wildner (2003) concluded that “in stratified random sampling, the aim of any optimization is to find values such that, under the constraint of limited cost, the error variance is minimal” (p. 1900).

The Illinois Department of Commerce and Economic Opportunity (IDCEO) functions as the state’s economic development arm. As such, the Small Business Development Center network reports through this agency. According to the IDCEO website (<http://www.illinoisbiz.biz>) there are now ten economic development regions in the state. Figure 3 provides a diagram of the economic development regions of Illinois identified in the study.

With exception to the Northeast region, one Small Business Development Center (SBDC) was selected from each of the ten regions to participate in this study. Two SBDC’s were selected from the city of Chicago in addition to the College of

DuPage SBDC in the Northeast region. There is more than one Small Business Development Center in most of the ten regions. Selection of those Small Business Development Centers was based on the maturity of the SBDC program, which SBDCs in the region provided pre-counseling seminars, recommendation from the State SBDC Director and the willingness of the local SBDC Director to participate in the study. Maturity was based on those seminars in existence for over five years. Refer to Appendix A for a listing of those Small Business Development Centers participating in the study as defined by each stratum.

With exception to three regions, approximately 30 surveys in each region were administered to attendees interested in starting a business at a pre-counseling seminar. The participants were chosen based on their willingness to participate in the study and their attendance at the pre-counseling seminar during the selected time frame. A non-probability sampling scheme was selected. Therefore, with exception to stratification, there was no randomness in the selection.

While this seminar is directed toward new businesses, there is no mandated exclusion of existing business owners attending the seminar. The pretest includes a question whether or not participants have previously owned a business. Previous business owners were allowed to complete both surveys. However, previous owners were separated in the results of the study. This seminar is open to the general public and includes those enrolled in the university and individuals within the region. There is usually no fee or a nominal fee to attend this seminar.



Figure 3. Economic Development Regions in Illinois

According to the State of Illinois Small Business Development Center Director, most Small Business Development Centers have pre-counseling seminars. (M.A. Petrilli, personal communication, October 28, 2005) He indicated that the average number of class size is 13 attendees and the vast majority of programs are

standardized. Most pre-counseling seminars in the state of Illinois are offered at least once every two months and are two to three hours in duration. Petrilli (2005) surmised that 80% of the instructors are employees of the Small Business Development Centers. The remaining 20% are instructors from outside of the host institution.

Subjects of the pre-counseling seminar do not automatically become counseling clients of the Small Business Development Centers within the state. “We know that 31 percent become counseling clients. What we don’t know are the reasons that the remaining 69 percent do not” (M.A. Petrilli, personal communication, October 28, 2005). Petrilli also indicated that seminar curriculum is fairly consistent. Type of legal business formation, taxation, employee issues, composition of a management team, target market, and preliminary financial projections are topics usually summarized at the pre-counseling seminars.

Instrumentation

Three questionnaires were developed to address the research questions for this study. After an extensive literature review, two instruments were combined in developing two of the survey instruments by the researcher. Pre-test and post-test questionnaires were created. An instructor survey was also created to obtain instructor information from each of the 12 sites. The instruments were reviewed by a panel of experts to enhance validity and ease of use. Improvements suggested by the panel of experts were incorporated into the survey.

Peterman and Kennedy’s research (2003) examined the effect of participation of an entrepreneurship program with respect to perceptions of feasibility

and desirability of starting a business. Their work used research from Krueger (1993) and the Shapero model. Autio et al. (2001) analyzed factors influencing entrepreneurial intent among university students. Their study provided a test of the robustness of the intent approach using international comparisons.

The surveys were pilot-tested with 27 pre-counseling seminar attendees prior to the formal data collection and recommended changes were made for the final draft. The instructor survey was also pilot tested with two instructors. The Southern Illinois University Carbondale Human Subjects Committee approved the protocol.

Various response modes were used in the pretest, posttest, and instructor surveys including scaled response, checklist, and yes/no questions. The questions were designed to collect nominal, ordinal and interval data types.

Data Collection Procedures

After permission to conduct the study by the SIUC Human Subjects Committee in the Office of Research Development and Administration, surveys were distributed to subjects by the seminar instructors attending a precounseling seminar at Small Business Development Centers in Illinois. Those instructors were either assisted by the study researcher or trained to administer the surveys prior to the seminar.

A cover letter explaining the project was attached to the pretest survey given to subjects. Refer to Appendix B for a copy of the cover letter. During the introductory period of pre-counseling seminars, basic demographic information is typically collected with a client intake form developed by the State of Illinois, Department of Commerce and Economic Opportunity. The client intake form

collects basic informational data, including name, address, phone number, whether or not they are in business, and ethnic background.

The instructor indicated that this survey is voluntary and is used to measure their interests in starting a business. Once the surveys were completed and prior to starting the seminar, the instructor collected the pretest surveys. When the instructor collected the pretest surveys, he or she distributed an envelope to each participant and instructed them not to open the envelope until after the seminar was completed (See Appendix C).

Immediately after the seminar concluded, subjects in the seminar were told of the second survey known as the post-test survey. The same instructor who taught the class also administered the post-test survey. He or she indicated to participants that this follow-up survey was used to measure any changes with their interests in starting a business after additional information was presented. The pre-test and post-test surveys were coded prior to distribution so the researcher could identify the region within the state of Illinois and to ensure that the pre-test and post-test survey matched the individual responses (See Appendix D).

There were a variety of instructors teaching the pre-counseling seminars across the state. To assist in answering research question, an instructor survey was developed and administered to the instructors immediately prior to the pre-counseling seminars across the state (See Appendix E).

Two incentives for participation were presented by the instructor. The first incentive was a pocket-sized calculator to all who participated in the study.

Participants received the calculators once the post-test was completed and collected by the instructor.

The second incentive involved a lottery-type opportunity. Participants were entered in a drawing for a cash award of \$500 if they successfully completed and returned the pre-test and post-test survey and completed contact information on the post-test survey. The winner was randomly selected April 18, 2006. In addition to obtaining completed surveys, this incentive allowed the collection of contact information for this study to become a longitudinal study, should the state of Illinois deem appropriate. However, any longitudinal study is beyond the scope of this research.

Content Analysis

There were 12 Small Business Development Centers participating in the research study. Each Small Business Development Center had a different presentation format and set of curriculum at its pre-counseling seminars. Therefore, a panel of experts was assembled to review the presentation format and materials distributed at the seminars. A content analysis was completed and prepared for all participating SBDC's. Table 1 compares presentations and content of participating SBDC's (See Appendix F).

Table 1

Content Analysis Summary of Pre-Counseling Seminars

Region	Length of Seminar	PPT* (Yes/No)	PPT Handouts	Class Fee	Handout Fee	Bus. Materials
Central	3 Hours	Yes	Yes	No	No	Yes
East Central	3 Hours	Yes	Yes	No	No	Yes
North Central	3 Hours	No	Yes	No	No	Yes
Northeast	3 Hours	Yes	Yes	Yes	No	Yes
Northern State	3 Hours	Yes	Yes	No	No	Yes
Northwest	3 Hours	Yes	Yes	No	No	Yes
Southeast	3 Hours	Yes	Yes	No	No	Yes
Southern	2 Hours	Yes	Yes	No	Yes	Yes
West Central	3 Hours	Yes	Yes	Yes	No	Yes
Southwest	3 Hours	Yes	Yes	No	No	Yes
Chicago 1	3 Hours	No	Yes	No	No	Yes
Chicago 2	3 Hours	Yes	Yes	Yes	No	Yes

Note. * PPT = Microsoft Powerpoint

Treatment of Data

The study compares desirability and intent of subjects interested in starting a business prior to a pre-counseling seminar and immediately after attending the seminar. Additionally, type of business, previous entrepreneurship experience, age, education, and gender, were compared. Remark[®] optical recognition software was used to scan the pretest, posttest, and instructor surveys. The software then converted the responses to statistical data ready for analysis. The student version of the Statistical Package for the Social Sciences (SPSS) software was used to analyze the

data for this project. Each response on the pre-test surveys, post-test surveys, and instructor surveys were recorded.

Research Question 1: To what extent does the type of business, prior experience, age, education, and gender influence entrepreneurial perceptions of individuals attending a pre-counseling seminar at a Small Business Development Center?

To analyze data for Question 1, information was gathered from Items 17-23 on the pre-test. Logistic binary regression was used to analyze data in Research Question 1.

Research Question 2: To what extent do seminar participants' desirability for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?

To analyze data for Question 2, information was gathered from Items 5-12 on the pre-test and items 5-12 on the post-test and compared. A paired samples student's *t*-test method of statistics was used to analyze data in Research Question 2.

Research Question 3: To what extent do seminar participants' intent for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?

To analyze data for Question 3, information was gathered from Items 1-4 on the pre-test and items 1-4 on the post-test. A paired samples student's *t*-test method of statistics was used to analyze data in Research Question 3. Table 2 shows a summary of the research questions, question items, and statistical analysis used to address each of the research study questions.

Research Question 4: To what extent does the overall satisfaction of the seminar, instructor, and the course materials have on perceived desirability and intent of starting a business?

To answer Research Question 4, information was gathered from Items 1-12 on the pre-test and items 1-15 on the post-test. Descriptive statistics and chi-square goodness of fit tests were used to analyze data in Research Question 4.

In summary, a stratified sample from each of the ten economic development regions in Illinois was utilized in this research. This research took place from the last week in January 2006 through the second week of April 2006 during pre-counseling workshops coordinated by one of 42 Small Business Development Centers in Illinois. A sample of convenience technique was used to obtain the surveys in each stratum, thus ignoring any randomness.

The study measured changes in desirability and intent in starting a business once exposed to a pre-counseling seminar. Additionally, the influence of entrepreneurial perceptions based on five variables was also analyzed. Finally, the relationship between course instructor's background and participant's desirability and intent was analyzed. The next section of this paper analyzes results and the data collection.

Table 2

Statistical Analysis of Data by Research Question

Research Question	Questionnaire Items Used	Statistical Analysis Used
Question 1 To what extent does the type of business, prior experience, age, education, and gender influence entrepreneurial perceptions of individuals attending a pre-counseling seminar at a Small Business Development Center?	PR – 17-23	Logistic Regression
Question 2 To what extent do seminar participants' desirability of starting a business change after attending a pre-counseling seminar at a Small Business Development Center?	PR – 5-12 PO – 5-12	Paired Samples Student's <i>t</i>-test
Question 3 To what extent do seminar participants' intent of starting a business change after attending a pre-counseling seminar at a Small Business Development Center?	PR - 1-4 PO - 1-4	Paired Samples Student's <i>t</i>-test
Question 4 To what extent does the overall satisfaction of the seminar, instructor, and the course materials have on perceived desirability and intent of starting a business?	PR – 1-12 PO – 1-15	Chi-Square Good of Fit Descriptive

Note. PR = Pre-test Questionnaire, PO = Post-test Questionnaire

CHAPTER 4

ANALYSIS OF DATA

The problem of this study was as follows: Of those participants attending a one-time pre-counseling seminar on starting a business at a Small Business Development Center, how did those participants' perceptions toward starting a business change once they have attended the seminar?

Within the United States there are over 950 Small Business Development Centers (SBDC's). Illinois has 42 SBDC's. Subjects of the study were men and women attending pre-counseling seminars at SBDC's. The seminars are designed to provide introductory information for people interested in starting a business.

Participants were obtained through a stratification technique within the state of Illinois via ten Illinois Department of Commerce and Economic Opportunity *Opportunity Returns* regions. With exception to the Northeast region, one SBDC per region was selected to participate. The Northeast region, including Chicago, utilized three SBDC's in the study. The time frame for this sample of convenience within each region was the last week of January 2006 through the second week of April 2006.

A one-group, pre-test – post-test design, was utilized to address the study research questions. Three instruments were used to collect data. A pre-test was administered to participants attending the “starting a business” pre-counseling seminar immediately before the seminar took place. At the conclusion of the seminar, a post-test was administered to the same participants. In addition, a survey was

administered to instructors of the pre-counseling seminar immediately before the seminars took place.

In this chapter, the results of the questionnaire responses from seminar attendees and instructors are presented for each of the four study research questions:

1. To what extent did the type of business, age, education, and gender influence entrepreneurial perceptions of individuals attending a pre-counseling seminar at a Small Business Development Center?
2. To what extent did seminar participants' desirability for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?
3. To what extent did seminar participants' intent for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?
4. To what extent did the participants' overall satisfaction with the seminar, the instructor, and the course materials influence their desirability and intent of starting a business?

This chapter is structured to present and analyze quantitative data obtained through survey questionnaires of pre-counseling seminar attendees and their instructors in the state of Illinois. There was one qualitative question posed in the post-test instrument. Results of the qualitative question are addressed at the end of this chapter.

Data in this chapter are presented in sub-sections titled treatment of data, survey instruments, study population, demographic information, findings according to research questions, qualitative results, community support, and summary.

Treatment of Data

Data were gathered using a 23-item pre-test questionnaire (Appendix C), a 16-item post-test questionnaire (Appendix D), and a four item instructor questionnaire (Appendix E). Informational packets were distributed to participants upon arrival at pre-counseling seminars. In addition to the pre-test and post-test questionnaires, the packets included a cover letter. The cover letter stated the importance of the study and the participant rights. The pre-test and post-test questionnaires were administered to seminar participants in person prior to the pre-counseling seminars and after completion of the seminars. The instructor questionnaire was administered to instructors prior to the pre-counseling seminars.

Survey Instruments

The pre-test and post-test survey instruments were constructed from instruments used in two previous research studies and input from Small Business Development Center professionals. The surveys instruments were pilot tested at a pre-counseling seminar at one of the selected sites unrelated to the current study. A total of 27 subjects participated in the pilot test. Results of the pilot test provided input for changes to the instruments. Changes included re-grouping of several sections and change in design of the answer coding to be more readily accepted in the optical character recognition software. Both instruments were also reviewed by a panel of experts prior to implementation.

The instructor survey was developed from discussion with Small Business Development Center professionals and workforce development professionals. The instructor survey was also pilot tested prior to implementation. Feedback from the pilot test resulted in changes to the instrument. Changes included adding region names to the instrument and changing categories in length of teaching experience.

The final version of the pre-test instrument consisted of 23 questions separated into four parts. In Part 1, the survey asked respondents the likelihood of starting a business full time or part time within the next year or within the next five years. In Part 2 respondents were asked to respond on a five-point Likert scale to 12 statements about starting their own business. In Part 3 participants were asked three questions related to previous experience in a small business. In Part 4 participants were asked four questions to assess their background and characteristics.

The post-test instrument was immediately administered at the conclusion of the pre-counseling seminar. The final version of the post-test instrument consisted of 16 questions separated into four parts. In Part 1, the survey asked respondents the likelihood of starting a business full time or part time within the next year or within the next five years. In Part 2 respondents were asked to respond on a five-point Likert scale to eight statements about starting their own business. Part 3 contained four questions related to satisfaction with the pre-counseling seminar. One of the four questions in Part 3 of the post-test was an open-ended question. A response to Part 4 was optional from the respondents and asked for contact information that may be utilized for future research.

The final version of the instructor instrument consisted of four questions. The instructor survey asked the instructor if they were an employee of the Small Business Development Center, how long they had been employed there, their current title, and the number of years of teaching experience.

Study Population

The survey population consisted of people attending pre-counseling seminars on the basics of starting a business in Illinois. The pre-counseling seminars at Illinois Small Business Development Centers took place between January 2006 through April 2006. The State is stratified into ten economic regions by the Illinois Department of Commerce and Economic Opportunity. As a result, one Small Business Development Center was selected from each region and two Small Business Development Centers in Chicago were selected due to its population density for this stratified sample of convenience.

Demographic Information

The demographic description of the subjects is reported using descriptive statistics such as frequencies and percentages. Approximately 95% of seminar attendees participated in this project. Of the 311 surveys collected from respondents, one was discarded as a pre-test survey could not be matched with a post-test survey. As a result, 310 respondents comprised the final sample. There were 155(50.0%) female and 142 (45.8%) male respondents. Thirteen of the respondents (4.2%) did not answer this question.

One of the pre-test questions asked respondents for their age. Table 3 categorized age and shows the respondents by age groups.

Table 3

Number of Respondents by Age

Age (years)	<i>n</i>	%
Under 21	10	3.4
21 - 30	60	20.4
31 - 40	79	26.9
41 - 50	102	34.7
50 +	43	14.6

Note. *n* = 294

Data from Table 3 indicates the greatest concentration of attendees were between the age of 41 – 50 (34.7%) followed by age 31 – 40 (26.9%). Respondents' ages ranged from 16 – 80, with a mean age of 40 years of age.

One of the pre-test survey questions asked respondents about their highest education level they had obtained. Table 4 reflects these responses.

Table 4

Number of Respondents by Educational Level

Education Completed	<i>n</i>	%
Some High School	4	1.4
High School	48	16.0
Some College	120	40.1
Bachelor's Degree	82	27.5
Master's Degree	21	7.0
Doctorate, Medical, Law	4	1.3
Other	20	6.7

Note. *n* = 299

Table 4 shows that the majority of attendees at the pre-counseling seminars had some college education (40.1%). The next highest group had a Bachelor's Degree (27.5%). Only 1.4% of attendees did not have a High School diploma.

One of the pre-test items asked survey respondents the type of business they had an interest in starting. Table 5 reports these results.

Table 5

Type of Business Interested in Starting

Type of Business	<i>n</i>	%
Retail	69	23.7
Service	150	51.6
Manufacturing	18	6.2
Wholesale	2	.7
Other	52	17.8

Note. *n* = 291

Table 5 shows that most respondents had an interest in starting a service business (51.6%). The next highest interest with respect to type of business was retailing (23.7%). Upon review of the responses to other (17.8%), most responses could have been classified in one of the four other categories.

One Small Business Development Center was represented in each region with exception of Chicago. The Northeast region, which represents Chicago, included one outlying Small Business Development Center and two Small Business Development Centers in the City of Chicago due to its dense population. Table 6 represents the number of respondents by region of the state.

Table 6

Number of Respondents by Economic Region in Illinois

Region in Illinois	<i>n</i>	%
Central	30	9.7
East Central	30	9.7
North Central	28	9.0
Northeast	25	8.1
Northern State	24	7.7
Northwest	12	3.9
Southeast	34	11.0
Southern	34	11.0
West Central	15	4.8
Southwest	39	12.6
Chicago	39	12.6

Note. *N* = 310

A total of 30 completed surveys were sought for each region. Each of the regions represents an economic development region within the state. As Table 6 shows, several regions were not able to distribute 30 surveys during the targeted time frame due to low seminar attendance levels.

Instructors at each pre-counseling seminar were asked to complete a short survey. Most of the sites required more than one seminar to collect the desired number of surveys. The East Central and Chicago regions utilized two instructors for the selected seminars being surveyed. Refer to Table 7 for a range of the length of employment for SBDC instructors.

Table 7

Instructor Length of Employment at SBDC

Length	<i>n</i>	%
Less than 1 year	2	15.4
2 – 5 years	7	53.8
6 – 10 years	2	15.4
Over 10 years	2	15.4

Note. *n* = 13

All instructors at every site were employees of the participating SBDCs. Most instructors had in excess of two years of experience at the SBDC. As Table 7 indicates, most instructors had between 2 – 5 years experience (53.8%). Only two instructors had less than one year (15.4%) of employment at the SBDC.

A number of SBDC's in Illinois rotate instructional responsibilities among staff when conducting seminars. Table 8 presents the Pre-Counseling Seminar Instructors by title, during the time period from the last week of January through the second week of April, 2006.

Table 8

Instructor Title at SBDC

Title	<i>n</i>	%
Director	7	53.9
Assistant Director	0	0
Business Counselor	1	7.7
Other	5	38.4

Note. *n* = 13

Table 8 reported that most instructors were Directors (53.85%) of the local SBDC. One SBDC utilized a university graduate student. A further review of the other category (38.5%) provides the following responses to titles: Educator, Small Business Specialist, Graduate Assistant, Program Coordinator, and Associate Director.

There was a range of teaching experience by instructors who taught the pre-counseling seminars. Refer to Table 9 for an accounting of the years of teaching experience by Seminar Instructor.

Table 9

Number of Years of Teaching Experience by Seminar Instructor

Teaching Experience	<i>n</i>	%
First Position	1	7.7
Less than 1 year	0	0
2 – 5 years	5	38.5
5 – 10 years	3	23.1
More than 10 years	4	30.7

Note. *n* = 13

Table 9 shows that most instructors had between 2 – 5 years of teaching experience (38.5%). Three instructors (23.1%) had 5 – 10 years of experience and four instructors (30.7%) had more than 10 years of teaching experience. One SBDC utilized a university graduate student whose first teaching experience was the workshop.

Findings According to Research Questions

Research Question 1: To what extent did age, the type of business, prior experience, education, and gender influence entrepreneurial perceptions of individuals attending a pre-counseling seminar at a Small Business Development Center?

To analyze data for Question 1, information was gathered from items 17-23 on the pre-test. A logistic regression was used to analyze data for this question. Dependent variables included whether or not subjects had started or owned their own small business, if they had worked for a new or small business, and whether or not

parents had started or owned a small business. Covariates included gender, type of business interested in starting, and highest level of education completed.

Tables 10 through 15 provide results of each of the logistic regression analyses conducted for each of the six dependent variables. Table 10 provides the results regarding whether participants had started or owned their own small business. The variables gender, business type, and level of education were the predictors for the analysis.

Table 10

Summary of Regression Analysis for Variables Predicting Perception of: Starting a Business

Variable	S.E.	<i>p</i>	Exp (β)
Step 1			
I have started/owned my own small business			
Step 1 ^a			
Age	.014	.301	.986
Gender	.298	.164	1.513
Business Type	.109	.374	1.102
Level of Education	.112	.727	.962

Note. $n = 249$

^a Variables entered on Step 1: age, gender, type of business interested in starting, highest level of education completed

Table 10 indicates there was no statistical significance with age (Exp(β) = .986, $p > .05$), gender (Exp(β) = 1.513, $p > .05$), business type (Exp(β) = 1.102, $p > .05$) or level of education (Exp(β) = .962, $p > .05$).

Table 10 provided statistics to the question asking participants if they have ever started or owned their own small business, if respondents answered yes to starting or owning a business, the next question on the pre-test asked them if the experience was positive. Table 11 provides statistics in response to this question.

Table 11

Summary of Regression Analysis for Variables Predicting Perception of: Starting a Business, Has the Experience Been Positive?

Variable	S.E.	<i>p</i>	Exp (β)
Step 1			
I have started/owned my own small business, If so, has the experience been positive?			
Step 1 ^a			
Age	.032	.024*	1.075
Gender	.606	.396	1.671
Business Type	.269	.467	.822
Level of Education	.324	.083	.571

Note. $n = 82$,

^a. Variables entered on Step 1: age, gender, type of business interested in starting, highest level of education completed, $p < .05$.

The response to this question (Table 11) was analyzed via the covariates age, gender, business type or level of education. There was no statistical significance with gender (Exp(β) = 1.671, $p > .05$), business type (Exp(β) = .822, $p > .05$) or level of education (Exp(β) = .571, $p > .05$). However, there was statistical significance with

age ($\text{Exp}(\beta) = 1.075, p < .05$). Younger students were more likely to have a positive experience than older students (Odds Ratio = 1.075).

Table 12 shows the logistic regression analysis for the pre-test question asking participants if they have ever worked for a new or small business and predicting any significance by age, gender, business type or level of education.

Table 12

Summary of Regression Analysis for Variables Predicting Perception of: Working for a New or Small Business

Variable	S.E.	p	Exp (β)
Step 1			
I have worked for a new or small business			
Step 1^a			
Age	.012	.008*	1.032
Gender	.256	.563	.862
Business Type	.093	.132	1.150
Level of Education	.103	.069	.829

Note. $n = 271$,

^a Variables entered on Step 1: age, gender, type of business interested in starting, highest level of education completed, $p < .05$.

Table 12 shows there was no statistical significance with gender ($\text{Exp}(\beta) = .862, p > .05$), business type ($\text{Exp}(\beta) = 1.150, p > .05$) or level of education ($\text{Exp}(\beta) = .829, p > .05$). However, there was statistical significance with age ($\text{Exp}(\beta) = 1.032, p < .05$). Younger students were more likely to have worked for a new or small business than older students (Odds Ratio = 1.032).

Table 12 provided statistics to the question asking participants if they have ever worked for a new or small business. If respondents answered yes to working for a new or small business, the next question on the pre-test asked them if the experience was positive. Table 13 provides statistics in response to this question.

Table 13

Summary of Regression Analysis for Variables Predicting Perception of: Working for a New or Small Business, Has the Experience Been Positive

Variable	S.E.	<i>p</i>	Exp (β)
Step 1			
I have worked for a new or small business. If so, has the experience been positive?			
Step 1^a			
Age	.018	.951	1.001
Gender	.414	.016*	.369
Business Type	.191	.235	.797
Level of Education	.150	.997	1.001

Note. $n = 149$

^a Variables entered on Step 1: age, gender, type of business interested in starting, highest level of education completed, $p < .05$.

The response to this question (Table 13) was analyzed via the covariates age, gender, business type or level of education. There was no statistical significance with age, (Exp (β) = 1.001, $p > .05$), business type (Exp(β) = .797, $p > .05$) or level of education (Exp(β) = 1.001, $p > .05$). However, there was statistical significance with

gender ($\text{Exp}(\beta) = .369, p < .05$). Females were more likely to have a positive experience than male students (Odds Ratio = 1.8159).

Table 14 presents the logistic regression analysis for the question asking participants if their parents ever started or owned small business and predicting any significance by gender, business type or level of education.

Table 14

Summary of Regression Analysis for Variables Predicting Perception of: My Parents have Started/Owned a Business

Variable	S.E.	p	Exp (β)
Step 1			
My parents have started/owned a small business			
Step 1 ^a			
Age	.012	.944	1.001
Gender	.273	.041*	1.746
Business Type	.099	.859	.983
Level of Education	.103	.341	.906

Note. $n = 271$

^a Variables entered on Step 1: age, gender, type of business interested in starting, highest level of education completed, $p < .05$.

There was no statistical significance with age ($\text{Exp}(\beta) = 1.001, p > .05$), business type ($\text{Exp}(\beta) = .983, p > .05$) or level of education ($\text{Exp}(\beta) = .906, p > .05$) according to Table 14. However, there was statistical significance with gender

($\text{Exp}(\beta) = 1.746, p < .05$). Males were more likely to have parents who started or owned a small business (Odds Ratio = 1.6127).

Table 14 provided statistics to the question asking participants if their parents had ever started or owned a business. If respondents answered yes to their parents starting or owning a business, the next question on the pre-test asked them if the experience was positive. Table 15 provides statistics in response to this question.

Table 15

Summary of Regression Analysis for Variables Predicting Perception of: My Parents have Started/Owned a Business. If so, was the Experience Positive?

Variable	S.E.	p	Exp (β)
Step 1			
My parents have started/owned a small business. If so was the experience positive?			
Step 1 ^a			
Age	.024	.996	1.000
Gender	.550	.791	.865
Business Type	.250	.189	.720
Level of Education	.245	.306	.778

Note. n = 89

^a. Variables entered on Step 1: age, gender, type of business interested in starting, highest level of education completed.

The response to this question (Table 15) was analyzed via the covariates age, gender, business type or level of education. There was no statistical significance with age ($\text{Exp}(\beta) = 1.000, p > .05$), gender ($\text{Exp}(\beta) = .865, p > .05$) business type ($\text{Exp}(\beta) = .720, p > .05$) or level of education ($\text{Exp}(\beta) = .778, p > .05$).

Research Question 2: To what extent did seminar participants' desirability for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?

To analyze data for Question 2, information was gathered from Items 5-12 on the pre-test questionnaire (Appendix D) and items 5-12 on the post-test questionnaire (Appendix E). A paired samples t-test was used to analyze data for Research Question 2. Table 16 shows the eight questions related the change in desirability of starting a business after attending a pre-counseling seminar.

Table 16

Paired Samples t-test – Desirability

Survey Question	Mean	S.D.	t	df	p
I am confident that I would succeed if I started my own business.	.076	.606	82	249	.049*
It would be easy for me to start my own business.	.110	1.106	1.406	199	.161
Starting my own business would be the best use of my education.	.108	.653	2.412	212	.017*
I have the skills and abilities required to succeed as a business owner.	.187	.776	3.570	218	.000**
I would be overworked if I started my own business.	-.119	1.251	-1.324	192	.187
I would love running my own business.	.039	.459	1.363	254	.174
I would be tense running my own business.	-.114	1.105	-1.397	184	.164
I would be enthusiastic running my own business.	.023	.350	1.061	260	.290

Note. * $p < .05$, ** $p < .001$

The results of a two-tailed paired samples t-test demonstrated statistically significant changes with three of the eight questions related to desirability.

Participants were more confident that they would succeed if they started their own business ($t(249) = 1.982, p < .05$). After attending the seminar participants also were

more certain that starting their own business would be the best use of their education ($t(212) = 2.412, p < .05$). Participants were more certain having the skills and abilities required to succeed as a business owner ($t(218) = 3.570, p < .001$). Five of the eight questions related to desirability did not demonstrate any statistically significant changes. A Bonferoni adjustment was made and the results were consistent with previously calculated data. There were no statistically significant differences ($\alpha = .01$).

Research Question 3: To what extent did seminar participants' intent for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?

To analyze data for Question 3, information was gathered from Items 1-4 on the pre-test and items 1-4 on the post-test. A paired-samples t-test was used to analyze data in Research Question 3. Table 17 summarizes this research question.

Table 17

Paired Samples t-test – Intent

Survey Question	Mean	S.D.	t	df	p
I plan on starting a business full-time within the next year.	-.066	.829	-1.356	285	.176
I plan on starting a business part-time within the next year.	.107	.885	1.847	233	.066
I plan on starting a business full-time within the next five years.	-.017	.707	-.374	228	.709
I plan on starting a business part-time within the next five years.	-.070	.795	-1.293	212	.197

Note. * $p < .05$, ** $p < .001$

Table 17 show that the results of a two-tailed paired samples t test did not demonstrate any statistically significant changes with any of the four questions. There was no significant change between the pre-test and post-test ($t(285) = -1.356, p > .05$) with respect to the question asking if participants planned to start a business full-time within the next year. Participants did not significantly differ with their responses when asked if they planned on starting a business part-time within the next year ($t(233) = 1.847, p > .05$). When asked if they planned on starting a business full-time within the next five years, participants did not significantly differ with respect to the pre-test and post-test ($t(228) = -.374, p > .05$). Finally, there was no significant statistical difference between the pre-test and post-test responses when participants

were asked if they planned on starting a business part-time within the next five years ($t(212) = -1.293, p > .05$).

Research Question 4: To what extent did the overall satisfaction of the seminar, instructor, and the course materials have on perceived desirability and intent of starting a business?

To analyze data for Question 4, information was gathered from Items 13-15 on the post-test. A chi square good of fitness test and descriptive statistics with reference to post-test questions 13-15 were used to analyze data in Research Question 4. Questions 13 – 15 utilized a 5-point Likert scale with a rating of 1 as very satisfied and a rating of 5 as very dissatisfied. Table 18 provides descriptive results for Questions 13-15 from the survey.

Table 18

<i>Satisfaction of the Seminar</i>			
Survey Question	<i>M</i>	<i>S.D.</i>	<i>n</i>
Overall satisfaction with seminar.	1.41	.549	306
Satisfaction with seminar instructor.	1.27	.499	307
Satisfaction with course materials.	1.35	.533	293

Note. $n = 310$, M is based on possible range of 1 through 5.

Table 18 shows a mean rating of 1.21 for the overall satisfaction of the seminar. A mean rating of 1.27 for satisfaction with seminar instructor is given. A mean rating of 1.35 for satisfaction with course materials was reported. All three descriptive statistics indicated an average rating of closest to *Very Satisfied* by respondents.

A chi-square test goodness of fit test was performed on all three satisfaction questions (Table 19 - 21). Due to a low number of responses in the dissatisfied and very dissatisfied boxes, those responses were collapsed into one group for the chi-square goodness of fit tests. Table 19 shows the chi-square statistic for satisfaction of the seminar.

Table 19

<i>Overall Satisfaction of Seminar - Chi-Square Goodness of Fit Test</i>							
Custom	VS	S	NO	D	<i>Chi-Square</i>	<i>df</i>	<i>p</i>
Observed	186	118	0	2			
Expected	76.5	76.5	76.5	76.5			
					328.30	3	.001

Note. $n = 306$, VS = Very Satisfied; S = Satisfied, NO = No Opinion, D = Dissatisfied or Very Dissatisfied.

Responses to Question 13 on the post-test in Table 19 indicated that overall satisfaction of the seminars was overwhelmingly satisfying utilizing a chi-square goodness of fit test ($\chi^2 (3, n = 306) = 328.30, p < .05$).

Question 14 on the post-test asked participants their satisfaction with the seminar instructor. Table 20 presents the chi-square goodness of fit test for satisfaction with seminar instructor.

Table 20

<i>Satisfaction with Seminar Instructor - Chi-Square Goodness of Fit Test</i>							
Custom	VS	S	NO	D	<i>Chi-Square</i>	<i>df</i>	<i>p</i>
Observed	230	74	2	1			
Expected	76.75	76.75	76.75	76.75			
					456.66	3	.001

Note. $n = 307$, VS = Very Satisfied; S = Satisfied, NO = No Opinion, D = Dissatisfied or Very Dissatisfied.

Table 20 shows the chi-square goodness of fit test for satisfaction with seminar instructor. Responses to Question 14 indicated that satisfaction with the seminar instructor was overwhelmingly satisfying ($\chi^2 (3, n = 307) = 453.66, p < .05$).

Question 15 on the post-test asked participants their satisfaction with the course materials. Table 21 presents the chi-square goodness of fit test for satisfaction with course materials.

Table 21

<i>Satisfaction with Course Materials - Chi-Square Goodness of Fit Test</i>							
Custom	VS	S	NO	D	<i>Chi-Square</i>	<i>df</i>	<i>p</i>
Observed	195	94	2	2			
Expected	73.25	73.25	73.25	73.25			
					346.85	3	.001

Note. $n = 293$, VS = Very Satisfied; S = Satisfied, NO = No Opinion, D = Dissatisfied or Very Dissatisfied.

Table 21 shows the chi-square goodness of fit test for satisfaction with course materials. Utilizing a chi-square goodness of fit test, responses to Question 15 indicated that the satisfaction with course materials was overwhelmingly satisfying, ($\chi^2 (3, n = 293) = 346.85, p < .05$).

Qualitative Question

One qualitative question was asked of respondents in the post-test survey. The question was “what would you do differently about this seminar?” Out of 310 subjects, there were 120 responses to this open-ended question. Responses were categorized into five areas. There were 47 responses that were positive comments

about the pre-counseling seminar. Subjects essentially stated that the seminar was the type of event needed prior to going into business and the information was very valuable. Another 29 responses indicated that the seminar was too short. More time was desired to discuss each subject in greater detail. There were 18 responses suggesting more in-depth information was needed related to financing, taxes, marketing, or assistance in writing a business plan. Fifteen responses related to improvement with instructor delivery or course materials. Eight responses related to the amenities – temperature of the room, providing refreshments, etc. A complete listing of the responses is shown in Appendix G.

Community Support

There were four questions in the pre-test asked related to community support for entrepreneurship and small business. The four questions were based on a Likert scale, with 1 representing *Strongly Agree*, 2 representing *Slightly Agree*, 3 representing *No Opinion*, 4 representing *Slightly Disagree*, and 5 representing *Strongly Disagree*. While those responses are not relevant to the four research questions identified in the study, questions 13 – 16 on the pre-test provided insight to the sponsoring funding agency as to community support for entrepreneurship. Table 22 the description for these responses.

Table 22

<i>Community support in starting a business</i>				
<i>Survey Question</i>	<i>Mean</i>	<i>Mdn</i>	<i>Mode</i>	<i>n</i>
I know many people in my community who have successfully started their own business.	2.58	2	2	283
In my community, people are actively encouraged to pursue their own ideas to start a new business.	2.91	3	3	276
In my community, you get to meet lots of people with good ideas for starting a new business.	2.89	3	3	274
There is a well functioning support system in my community for starting a new business	2.84	3	3	275

Overall results of the community support questions were in the range between *Slightly Agree* to *No Opinion*. Participants slightly agreed ($M = 2.58$) to *knowledge of many people in the community who have successfully started their own business*. Participants had no opinion ($M = 2.91$) to the statement that *in my community, people are actively encouraged to pursue their own ideas to start a business*. Participants had no opinion ($M = 2.89$) to the statement that *you get to meet lots of people with good ideas for starting a business in my community*. Participants had no opinion ($M = 2.84$) to the statement that *there is a well functioning support system in my community for starting a business*.

Summary

Chapter four presented data that examined perceptions of nascent entrepreneurs attending a pre-business counseling seminar on starting a business in Illinois. Specifically, data was analyzed with respect to the four research questions posed from this research project. An evaluation of seminar attendees was also performed via the post-test instrument. While not part of the research questions, several questions were asked of community support to further gauge public support of entrepreneurship in Illinois.

CHAPTER 5
SUMMARY, FINDINGS, CONCLUSIONS, DISCUSSION, AND
RECOMMENDATIONS

Summary

The purpose of the study was to evaluate the extent to which perceptions of participants attending a pre-counseling seminar on entrepreneurship conducted by a Small Business Development Center change once they attended the seminar. More specifically, an assessment was made of those participants attending the seminar to determine if their perceptions toward starting a business changed once additional information about starting a business was presented.

Chapters One through Four of this study addressed the problem of the study, review of literature and related research, methodology, and analysis of data. Chapter one identified the focus of the study, statement of the problem, and research questions. The statement of the problem addressed changing perceptions of participants attending a one-time pre-counseling seminar on starting a business.

Chapter Two assessed the history of entrepreneurship, evolution of entrepreneurship education in post-secondary settings, the public sector's role in entrepreneurship, and characteristics of entrepreneurs. This chapter concluded with a review of the research of intention and desirability of nascent entrepreneurs.

Ajzen's Theory of Planned Behavior Model (Ajzen, 2002) and Peterman and Kennedy's Conceptual Model (Peterman & Kennedy, 2003) provided the foundation of the current research study. After completing an entrepreneurship program in a classroom setting, participants reported significantly higher perceptions of both

desirability and feasibility. The change in perceptions was not only related to the satisfaction of the program but the satisfaction of previous entrepreneurial experience. (Peterman & Kennedy, 2003). Autio's research, through the Theory of Planned Behavior Model, hypothesized that career preferences of students could be influenced (Autio, et al., 2001).

Chapter Three described the design of the study, research methodology, process for selecting subjects, instrumentation, procedures for data collection, a content analysis of course materials and delivery, and treatment of data. The study was conducted at 12 Small Business Development Centers in Illinois utilizing a 23-item pre-test survey, a 16-item post-test survey, and a 4-item instructor survey. The pre-test and post-test survey instruments were constructed from two instruments used in previous research studies and discussions with Small Business Development Center professionals. Research questions and the survey instruments were then pilot tested to 27 subjects at a pre-counseling seminar on starting a business. Feedback from the pilot testing resulted in several changes to the instrument.

The Southern Illinois University Carbondale Committee for Approval of Human Subjects approved the final version of the survey instruments and protocol for administration. A cover letter was included, stating information related to the researcher, purpose of the research, collection procedures, SIUC Human Subjects criteria, and contact information.

One Small Business Development Center (SBDC) was selected from each of the ten economic development regions in the state to participate in this study. Additionally, two SBDC's in Chicago were chosen to participate. Participating SBDC

instructors were trained how to administer the surveys by the researcher. After the initial site visit by the researcher, the SBDC instructors administered the surveys.

Chapter Four presented data from the research surveys provided by participants in the pre-counseling seminars and instructors of the seminars. Surveys were administered between January 2006 through April 2006 at the pre-counseling seminars. A total of 310 completed surveys were collected during this time period. Instructor surveys were also administered during this time period.

To assure anonymity, respondents were not required to identify themselves. However, 251 (81.0 %) of the respondents provided contact information which was requested as part of the \$500 drawing. All respondents who provided their names and contact information were entered into a drawing where the winner received a \$500 cash prize. The winner of the drawing was selected April 18, 2006.

Findings

Four research questions guided this inquiry. Findings are presented for each of those research questions.

Research Question 1: To what extent did the type of business, prior experience, age, education, and gender influence entrepreneurial perceptions of individuals attending a pre-counseling seminar at a Small Business Development Center?

Six dependent variables were identified from previous research. Those variables included: whether or not subjects had started or owned their own small business; if subjects responded yes to starting or owning their own small business, the positiveness of the experience; if they had worked for a new or small business; if

subjects responded yes to working for a new or small business, positiveness of that experience; whether or not subjects' parents had started or owned a small business; and if subjects responded yes to parents every starting or owning a small business, the positiveness of that experience. Covariates included age, gender, type of business interested in starting, and highest level of education completed.

To test the relationship between the dependent variables identified and the covariates, binary logistic regression was performed. When subjects were asked the question whether or not they had started or owned their own small business, there was no statistical significance with respect to age ($\text{Exp}(\beta) = .986, p > .05$), gender ($\text{Exp}(\beta) = 1.513, p > .05$), business type ($\text{Exp}(\beta) = 1.102, p > .05$) or level of education ($\text{Exp}(\beta) = .962, p > .05$).

If subjects responded that they had previously owned or started a small business, they were asked if the experience was positive. There was no statistical significance with gender ($\text{Exp}(\beta) = 1.671, p > .05$), business type ($\text{Exp}(\beta) = .822, p > .05$) or level of education ($\text{Exp}(\beta) = .571, p > .05$). However, there was statistical significance with age ($\text{Exp}(\beta) = 1.075, p < .05$).

When subjects were asked the question whether or not they had worked for a new or small business, there was no statistical significance with gender ($\text{Exp}(\beta) = .862, p > .05$), business type ($\text{Exp}(\beta) = 1.150, p > .05$) or level of education ($\text{Exp}(\beta) = .829, p > .05$). However, there was statistical significance with age ($\text{Exp}(\beta) = 1.032, p < .05$).

If subjects responded that they had previously worked for a new or small business, they were asked if the experience was positive. There was no statistical significance with age, ($\text{Exp}(\beta) = 1.001, p > .05$), business type ($\text{Exp}(\beta) = .797, p > .05$) or level of education ($\text{Exp}(\beta) = 1.001, p > .05$). However, there was statistical significance with gender ($\text{Exp}(\beta) = .369, p < .05$).

When subjects were asked the question whether or not their parents had started or owned a small business, there was no statistical significance with age ($\text{Exp}(\beta) = 1.001, p > .05$), business type ($\text{Exp}(\beta) = .983, p > .05$) or level of education ($\text{Exp}(\beta) = .906, p > .05$). However, there was statistical significance with gender ($\text{Exp}(\beta) = 1.746, p < .05$).

If subjects responded that their parents has started or owned a small business, they were asked if the experience was positive. There was no statistical significance with age ($\text{Exp}(\beta) = 1.000, p > .05$), gender ($\text{Exp}(\beta) = .865, p > .05$) business type ($\text{Exp}(\beta) = .720, p > .05$) or level of education ($\text{Exp}(\beta) = .778, p > .05$).

Research Question 2: To what extent did seminar participants' desirability for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?

There were eight questions on the pre-test instrument related to desirability of starting a business. Those same questions were on the post-test instrument. A paired samples t-test was performed to compare responses on the pre-test with responses on the post-test.

The results of a two-tailed paired samples t-test demonstrated statistically significant changes with three of the eight questions related to desirability. Subjects

were asked to complete a 5-point Likert scale with a range from strongly agree to strongly disagree. Subjects were more confident that they would succeed if they started their own business ($t(249) = 1.982, p < .05$). After attending the seminar subjects also were more certain that starting their own business would be the best use of their education ($t(212) = 2.412, p < .05$). Subjects were more certain having the skills and abilities required to succeed as a business owner ($t(218) = 3.570, p < .001$).

Five of the eight questions related to desirability did not demonstrate any statistically significant changes. Those five questions were as follows:

1. It would be easy for me to start my own business.
2. I would be overworked if I started my own business.
3. I would love running my own business.
4. I would be tense running my own business.
5. I would be enthusiastic running my own business.

Research Question 3: To what extent did seminar participants' intent for starting a business change after attending a pre-counseling seminar at a Small Business Development Center?

There were four questions on the pre-test instrument related to intent of starting a business. Those same questions were on the post-test instrument. A paired samples t-test was performed to compare responses on the pre-test with responses on the post-test.

Results of a two-tailed paired samples t-test did not demonstrate any statistically significant changes with any of the four questions related to intent of starting a business. There was no significant change between the pre-test and post-

test ($t(285) = -1.356, p > .05$) with respect to the question asking if participants planned to start a business full-time within the next year. Subjects did not significantly differ with their responses when asked if they planned on starting a business part-time within the next year ($t(233) = 1.847, p > .05$). Subjects did not significantly differ with respect to the pre-test and post-test ($t(228) = -.374, p > .05$) when asked if they planned on starting a business full-time within the next five years. When subjects were asked if they planned on starting a business part-time within the next five years, there was no significant statistical difference between the pre-test and post-test responses ($t(212) = -1.293, p > .05$).

Research Question 4: To what extent did the overall satisfaction of the seminar, instructor, and the course materials have on perceived desirability and intent of starting a business?

At the end of the post-test survey, three questions were asked related to satisfaction of the pre-counseling seminar. Subjects were asked to evaluate their overall satisfaction with the seminar, satisfaction with the seminar instructor, and satisfaction with course materials. There were five possible responses ranging from very satisfied to very dissatisfied. All three questions had the majority (median and mode) of the responses in the very satisfied or satisfied responses.

1. Out of a possible high rating of 1 (very satisfied), the mean for the overall satisfaction with the seminar was 1.41.
2. Out of a possible high rating of 1 (very satisfied), the mean for the overall satisfaction with the seminar instructor was 1.27.

3. Out of a possible high rating of 1 (very satisfied), the mean for the overall satisfaction with the course materials was 1.35.

A chi-square goodness of fit test was performed on all three satisfaction questions. The chi-square statistic revealed that the overall satisfaction of the seminar was overwhelmingly satisfying ($\chi^2 (3, n = 306) = 328.30, p < .05$).

Subjects were asked about their satisfaction with the seminar instructor. The chi-square statistic indicated that satisfaction with the seminar instructor was overwhelmingly satisfying ($\chi^2 (3, n = 307) = 453.66, p < .05$).

Subjects were asked about their satisfaction with the course materials. The chi-square statistic indicated that satisfaction with the course materials was overwhelmingly satisfying, ($\chi^2 (3, n = 293) = 346.85, p < .05$).

In addition to the three quantitative satisfaction questions asked of subjects, there was one qualitative question asked. The question was “what you do differently about this seminar?” Out of 310 subjects, there were 120 responses to this question. Forty-seven responses (39%) were positive comments about the pre-counseling seminar. Subjects indicated that the seminar matched their expectations and they would not change anything to the structure of the seminar.

Additional comments related to length of seminar, specific content information, and amenities of the event. Twenty nine respondents (24%) stated that the seminar was too short. More time was needed to present the subject matter. Eighteen (15%) subjects requested more in-depth information related to financing, taxes, marketing, or assistance in writing a business plan. Fifteen subjects (13%)

requested improvement of instructor delivery or course materials. Eight subjects (7%) requested a change in the amenities of the classroom.

In addition to an evaluation of the overall satisfaction with the seminar, satisfaction with seminar instructor, and satisfaction with course materials, a content analysis of materials and presentation was performed by a panel of experts. The panel of experts was assembled to review the presentation format and set of curriculum at its pre-counseling seminars. A review of content was needed as there were 12 Small Business Development Centers participating in the research study. All pre-counseling seminars lasted between two and three hours and included course materials. All but one SBDC prepared their seminars with power point presentations. All but three SBDC's provided this seminar free of charge.

Conclusions

Based on the study findings, the following conclusions are presented:

1. Of the covariates examined in relation to entrepreneurial perceptions, age and gender were the only significant variables. Even then, age or gender was only significant in four of the six variables related to entrepreneurial perceptions.
2. Younger students had more positive entrepreneurial perceptions and experiences than older students attending the pre-counseling seminars. One might hypothesize more positive entrepreneurial perceptions as they may be more attune to the changing economy and emphasis given toward entrepreneurship.

3. Female students had more positive entrepreneurial perceptions than male students attending the pre-counseling seminars. While the literature review suggests males are dominant with respect to starting a business, females had a more positive experience in this study. Additional relevance is provided as the total sample was equally divided among males and females.
4. The level of education attained by students did not matter when related to entrepreneurial perceptions. Entrepreneurship appeared to emerge regardless of educational background.
5. There was a change in participants' desirability in starting a business after attending a pre-counseling seminar at a Small Business Development Center. Of the eight questions asked related to desirability, three questions had statistically significant results. Participants were more positive about their desire to start a business after attending the seminar.
6. There was no change with respect to the intent by participants to start a business after the attended the pre-counseling seminar. Of the four questions related to intent, none of the questions had statistically significant results. Participants were no more positive or negative in the intent of starting a business after attending the seminar.
7. The overall satisfaction of the seminar, instructor and course materials was extremely high. One might conclude that the Small Business Development Centers have been very effective with pre-counseling seminars and they should continue.

8. While there were 12 different Small Business Development Centers in Illinois participating in this study, the method of delivering course content was fairly consistent. The pre-counseling seminar on starting a business lasted 2-3 hours, all seminars were in a classroom setting, and handouts included with the discussion were prevalent.
9. There were 13 different seminar instructors with varying levels of SBDC experience, teaching experience, and position within the SBDC. The level of experience and instructor position did not appear to make a difference in effectiveness of the seminar.

Discussion

The literature review and review of previous research focused on characteristics of entrepreneurs and the intention and desirability of nascent entrepreneurs. Review of the characteristics included demographic and psychological characteristics.

Some of the more popular factors or characteristics of entrepreneurs that have been investigated included parental occupation, gender, education, and work experience. Past research indicates that a small business in the family influences the decision-making process when debating whether or not to start a business. Those individuals reporting significant exposure to family business differ significantly with respect to intentions and attitudes toward entrepreneurship (Krueger, 1993).

Gender also plays a role with intention toward entrepreneurship. Until the 1970's the corporate world in the United States was completely dominated by males. This was true in the small business world as well. It is no surprise that males with a

family history of owning a business had more interest than females (Matthews & Moser, 1996). Gender and age were the only covariates in this study that demonstrated statistical significance when compared to experiential perceptions.

The education level of nascent entrepreneurs was also a variable in this study. Previous studies found relationships between level of education and nascent entrepreneurs. One experimental study conducted by Delmar and Davidsson found that 41.2% of nascent entrepreneurs had a university degree or some level of education compared to 26.4% for the control group (Delmar & Davidsson, 2000).

Small business experience was another factor considered. Most venture capitalists willing to fund start-up companies prefer that start-up companies are headed by someone with proven knowledge of the business (Timmons, 1978). Delmar and Davidsson's study also confirmed the effects of experience. Nascent entrepreneurs had more management experience than the control group (Delmar & Davidsson).

While a review of demographic variables are important in understanding entrepreneurs, previous research used demographic characteristics as surrogates for personality characteristics. Those researchers formulated personality traits based on demographics (Robinson, et al., 1991) The problem with using these variables is that no socio-demographic variables have been strong predictors of self-employment (Delmar & Davidsson).

Results from this study found no statistical significance in a change of intent by subjects in starting a business after attending the pre-counseling seminar. This should not be surprising to researchers. The literature supports the fact that changing

one's intent can't be accomplished immediately. Intention is the immediate precursor to behavior. Although intention has been considered a good predictor of behavior, some people fail to carry out intentions and revert to previous behavior (Ajzen, 2002).

Previous studies have tried to link intent to demographic factors.

Entrepreneurial intentions are determined by factors that may be altered – not by demographic factors (Kolvereid, 1996).

The review of literature demonstrates that intention and desirability are related. Perceived desirability is close to the theory of planned behavior's attitude toward behavior. Intent is the last precursor prior to action in the theory of planned behavior. Therefore, perceived behavioral control is close to perceived feasibility and perceived desirability (Autio, et al., 2001).

It is interesting to note that while results from this study found no statistical significance in a change of intent by subjects in starting a business after attending the seminar, there was a change in desirability. Three of the eight questions related to desirability were found to be statistically significant. In other words, subjects in this study had a greater desire to start a business after attending the pre-counseling seminar. The review of literature also provides support for these findings.

Although desirability is considered to be part of the theory of planned behavior as an attitude toward behavior, desirability is also based on expectancy theory. Gatewood, et al., (2002) investigated entrepreneurial expectancy in a study involving undergraduate students. They discovered that individuals receiving positive feedback relative to entrepreneurial abilities had higher entrepreneurial expectancies than individuals receiving negative feedback.

Subjects in the present study gave extremely positive remarks to the overall satisfaction with the pre-counseling seminar, satisfaction with the seminar instructor, and satisfaction with course materials. The majority of subjects providing responses to the open-ended question at the end of the post-test indicated that nothing should be changed with respect to the seminar. It is no surprise that desirability in starting a small business increased.

Peterman and Kennedy (2003) conducted a similar study with a group of traditional students. They discovered that the degree of change in perceptions of desirability and feasibility was related to the positiveness of the prior experience and the positive of experience in the entrepreneurship program (Peterman & Kennedy).

The United States Small Business Administration (SBA) is the lead federal agency providing technical assistance to entrepreneurs and state agencies. Technical assistance is provided through materials and seminars. Materials may include informational bulletins, brochures, and guidebooks. These materials are disseminated to state agencies.

The Illinois Department of Commerce and Economic Opportunity (DCEO) is the agency that oversees and provides support for Illinois SBDC's. SBA provides assistance to DCEO. As such, the SBA and DCEO have influence with respect to distribution of materials to SBDC's.

A content analysis was conducted by a panel of experts for each of the 12 SBDC's participating in this study. A number of consistencies emerged across the SBDC's. Each SBDC utilized classroom environments. After reviewing the material

and course delivery, it was apparent that the SBA and DCEO had significant influence over the pre-counseling seminars.

Recommendations for Practice

1. Results of this study should be shared with the Illinois Department of Commerce and Economic Opportunity and Small Business Development Center Directors across Illinois. This could be achieved through a publication or presentation at an Illinois Entrepreneurship Network event.
2. Overall satisfaction of the seminar was extremely high. The Small Business Development Centers should continue to provide pre-counseling seminars on how to start a business.
3. Illinois SBDC Directors need to identify what delivery method and timing of seminars are most appropriate for nascent entrepreneurs. In response to concerns of having enough time to delivery the subject matter, a number of SBDC's have started to offer three to four concurrent seminars identified as a seminar series. The first seminar is essentially the pre-counseling materials identified from this study and is two to three hours in length. Follow-up seminars that discuss development of a business plan, financing needs, market development, and a number of other topics could be included with a series of seminars.
4. A formal evaluation instrument should be developed for the materials and visual aids provided for the pre-counseling seminar. While most of the SBDC's provide similar materials, greater consistency across the state is needed.

5. A set of standards for pre-counseling seminars across the state is needed. Those standards are needed to ensure consistent and effective delivery from the SBDC's and their seminar instructors.
6. SBDC's should initiate contact with pre-counseling seminar attendees after the seminar is completed. Follow-up e-mails, phone calls and mailings will assist in keeping desirability elevated and may help to increase intent of starting a business.

Recommendations for Research

1. There is a need for a follow-up study of those subjects with this study. While an increase in desirability of starting a business took place with subjects, this does not explain why SBDC's in Illinois do not hear from 70% of attendees at these seminars after the seminars take place. Future studies should strive to build on previous intent and desirability surveys to assess the extent entrepreneurial intent is followed through.
2. A number of the participating SBDCs in Illinois provide a series of seminars on starting the business. Several of those SBDCs participated with this study. Subjects attending all of the seminars should be considered in a follow-up study.
3. There is a need for further research into assessment of entrepreneurial programs at community colleges and universities. The promoters and organizers of entrepreneurial courses may benefit public policy makers in determining programs and courses of study creating an impact for entrepreneurs.

4. There is a need for community or regional assessments on entrepreneurship across Illinois. The community support questions in the study did not provide extremely positive responses from subjects. Subjects did not believe that their communities provided an environment that supports entrepreneurship. A formal assessment is needed to better understand the entrepreneurial climate in all ten regions of Illinois.
5. Conduct a similar study with SBDCs in the United States but incorporate a control group with the study to serve as a baseline standard. A control group will provide a true experimental design and will build upon this research.

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APPENDICES

Appendix A: Participating Small Business Development Centers



Central Region**Lincoln Land Community College**

C/O Greater Springfield Chamber of Commerce
3 South Old State Capitol Plaza
Springfield, IL 62701

East Central Region**University of Illinois Extension**

Building # 11, Suite 1105
2525 East Federal Drive
Decatur, IL 62526-2184

North Central Region**Bradley University**

141 Jobst Hall
1501 West Bradley Avenue
Peoria, IL 61625-0001

Northeast Region**College of DuPage**

425 Fawell Boulevard
Glen Ellyn, IL 60137-6599

Northern State Region**Highland Community College
Freeport, IL****Northwest Region****Sauk Valley Community College**

173 Illinois Route # 2
Dixon, IL 61021-9188

Southeast Region**Kaskaskia College**

206 West Main
Salem, IL 62881

Southern Region**Southern Illinois University Carbondale**

Dunn-Richmond Economic Development Center
150 East Pleasant Hill Road
Carbondale, IL 62901-4300

West Central Region**Western Illinois University**

510 North Pearl Street, Suite 1400

Macomb, IL 61455

Southwest Region**Southern Illinois University *Edwardsville/East St. Louis SBDC***

601 James R. Thompson Blvd.

Building D, Room 1017

East St. Louis, IL 62201

City of Chicago**Jane Addams Hull House – Parkway Community House**500 East 67th Street

Chicago, IL 60637-4097

University of Illinois at Chicago

College of Business Administration (MC 090)

601 South Morgan Street, Suite B4 UH

Chicago, IL 60607

Appendix B: Survey Cover Letter

Dear Seminar Participant:

I am a graduate student seeking my PhD degree in the Department of Workforce Education and Development at Southern Illinois University Carbondale.

The purpose of the enclosed surveys is to gather information about the desirability and intent of starting a business in Illinois. In addition, there are a few questions in the second survey to measure your satisfaction of today's seminar. You were selected to participate in this study due to your interest in starting a business.

The two surveys will take approximately 10 to 15 minutes total to complete. You will be asked to complete a survey before the seminar takes place. The instructor will collect all surveys prior to the seminar. Once the seminar is completed, you will be asked to complete a second survey. The instructor will also collect these surveys.

All of your responses will be kept confidential within reasonable limits. Only people directly involved with this project will have access to the surveys. Completion and return of this survey indicate voluntary consent to participate in this study.

This project has been reviewed and approved by the SIUC Human Subjects Committee. Questions concerning your rights as a participant in this research may be addressed to the Committee Chairperson, Office of Research Development and Administration, SIUC, Carbondale, IL 62901-4709. Phone (618) 453-4533. E-mail: siuhsc@siu.edu

Questions about this study can be directed to me or to my supervising professor, Dr. John Washburn, Department of Workforce Education and Development, Mailcode 4605, SIUC, Carbondale, IL 62901-4605. He can also be reached at (618) 453-6726.

Thank you for taking the time to assist me in this research.

Kyle Harfst
(618) 453-3427
harfst@siu.edu

Appendix C: Pre-Test Survey Instrument

Below are a series of questions regarding the likelihood of you starting your own business at various points in time. Please read each statement and chose the ONE response that best identifies your position	Not at all likely	Not very likely	Likely	Very Likely	Already have own business
<u>STARTING A BUSINESS:</u>					
1) I plan on starting a business <u>FULL-TIME</u> within the next year	①	②	③	④	⑤
2) I plan on starting a business <u>PART-TIME</u> within the next year	①	②	③	④	⑤
3) I plan on starting a business <u>FULL-TIME</u> within five (5) years	①	②	③	④	⑤
4) I plan on starting a business <u>PART-TIME</u> within five (5) years	①	②	③	④	⑤
Below are a number of statements about starting your own business. Mark the option that describes the extent to which you agree with each statement NOW. Please fill in the appropriate circle corresponding with your current opinion.					
<u>STATEMENT:</u>	Strongly Agree	Slightly Agree	No Opinion	Slightly Disagree	Strongly Disagree
5) I am confident that I would succeed if I started my own business	①	②	③	④	⑤
6) It would be easy for me to start my own business	①	②	③	④	⑤
7) Starting my own business would be the best use of my education	①	②	③	④	⑤
8) I have the skills and abilities required to succeed as a business owner	①	②	③	④	⑤
9) I would be overworked if I started my own business	①	②	③	④	⑤
10) I would love running my own business	①	②	③	④	⑤
11) I would be tense running my own business	①	②	③	④	⑤
12) I would be enthusiastic running my own business	①	②	③	④	⑤
13) I know many people in my community who have successfully started their own business.	①	②	③	④	⑤
14) In my community, people are actively encouraged to pursue their own ideas to start a new business.	①	②	③	④	⑤
15) In my community, you get to meet lots of people with good ideas for starting a new business.	①	②	③	④	⑤
16) There is a well functioning support system in my community for starting a new business	①	②	③	④	⑤

Please read each statement below and chose either yes or no. If yes, please answer the second portion of each question.

Appendix D: Post-Test Survey Instrument

<p>Below are a series of questions regarding the likelihood of you starting your own business at various points in time. Please read each statement and chose the ONE response that best identifies your position.</p> <p><u>STARTING A BUSINESS:</u></p>	Not at all likely	Not very likely	Likely	Very Likely	Already have own business
1) I plan on starting a business <u>FULL-TIME</u> within the next year	①	②	③	④	⑤
2) I plan on starting a business <u>PART-TIME</u> within the next year	①	②	③	④	⑤
3) I plan on starting a business <u>FULL-TIME</u> within five (5) years	①	②	③	④	⑤
4) I plan on starting a business <u>PART-TIME</u> within five (5) years	①	②	③	④	⑤
<p>Below are a number of statements about starting your own business. Mark the option that describes the extent to which you agree with each statement NOW. Please fill in the appropriate circle corresponding with your current opinion.</p>					
<p><u>STATEMENT:</u></p>	Strongly Agree	Slightly Agree	No Opinion	Slightly Disagree	Strongly Disagree
6) I am confident that I would succeed if I started my own business	①	②	③	④	⑤
6) It would be easy for me to start my own business	①	②	③	④	⑤
7) Starting my own business would be the best use of my education	①	②	③	④	⑤
8) I have the skills and abilities required to succeed as a business owner	①	②	③	④	⑤
9) I would be overworked if I started my own business	①	②	③	④	⑤
10) I would love running my own business	①	②	③	④	⑤
11) I would be tense running my own business	①	②	③	④	⑤
12) I would be enthusiastic running my own business	①	②	③	④	⑤

Please answer the following questions below regarding various aspects of today's training. Please choose ONE answer below that best describes your response for each section.

Please fill in ONE response that best represents your level of satisfaction for each of the following questions below.	Very satisfied	Satisfied	No Opinion	Dissatisfied	Very Dissatisfied
13) Overall satisfaction with seminar	①	②	③	④	⑤
14) Satisfaction with seminar instructor	①	②	③	④	⑤
15) Satisfaction with course materials	①	②	③	④	⑤

16) Please indicate any ways that you would change or improve upon today's seminar. _____

PLEASE READ

Thank you for participating in this survey. As part of a continued study, I am asking for information that will allow me to identify you for future research. This information will only be used for the purposes of research and **WILL NOT** be shared with any public entity. If you complete the information below, your name will be entered into a drawing in which you could win **\$500.00 cash**. The drawing will be held on or before May 1, 2006, at which time you will be notified if you are the winner. Thank you for your time and participation.

Name: _____ Date: _____

Address: _____

Thank you for your participation!

Appendix E: Instructor Survey

Name _____

Region _____

Are you an employee of the Small Business Development Center?

 Yes No**IF YES**, how long have you been employed here? Less than 1 year 2-5 years 6-10 years Other (please specify) _____

What is your current title?

 Director Assistant Director Business Counselor Other (please specify) _____

Please indicate the number of year's experience you have in any teaching capacity:

 This is my first teaching/instruction position Less than 1 year 2-5 years 5-10 years Other (please specify) _____

Appendix F: Content Analysis
Assessing the Impact of Small Business Training on Nascent Entrepreneurs
in Illinois

Content Analysis
Of
Small Business Development Center
Pre-Counseling Seminars

Prepared for

Department of Workforce Education and Development
Southern Illinois University Carbondale

and

State of Illinois
Department of Commerce & Economic Opportunity

April 2006

Review Committee:

Emily Carter, Director
Southern Illinois Entrepreneurship Center

Robyn Laur Russell, Director
Southern Illinois University Carbondale
Small Business Development Center

Kyle Harfst, Director
SouthernTECH
Illinois Technology Enterprise Center

Sharon Voirin, Principal
Survey Design Services

Governor's Economic Development Regions



Summary of Content at Pre-Counseling Workshops

The United States Small Business Administration (SBA) is the lead federal agency providing financial and technical assistance to entrepreneurs and small business owners. Assistance is provided directly to entrepreneurs or via Small Business Development Centers across the country. Financial assistance is via SBA 7(a) guaranteed business loans or other debt instruments. Technical assistance is provided through materials and seminars. Materials may include informational bulletins, brochures, and guidebooks in starting a business. Seminars on starting a business are usually held at participating Small Business Development Centers throughout the United States.

Small Business Development Centers (SBDCs) in Illinois are coordinated by the Illinois Department of Commerce and Economic Opportunity – the lead state agency in providing technical assistance via Small Business Development Centers. The Illinois Department of Commerce and Economic Opportunity (DCEO) provides informational bulletins, brochures, and guidebooks in starting a business.

While there are 43 Small Business Development Centers in Illinois, many inconsistencies exist with respect to service delivery. The SBA and DCEO provide financial and technical support to SBDCs. Many of those SBDCs offer pre-counseling seminars as a way of providing a broad overview of what it takes to start and maintain a business. Those SBDCs utilize information provided by SBA and DCEO in preparing curriculum and lesson plans for seminars.

The focus of this committee was to review the pre-counseling seminar materials and delivery for the 12 SBDCs participating in the research project titled “Assessing Perceptions of Nascent Entrepreneurs.” A listing of each of the participating SBDCs, a description of the materials, and general comments are provided at the end of this document.

Each of the 12 SBDCs utilized classroom environments where a separate room was provided for the seminar. All but two of the SBDCs utilized power point projectors. Most seminars were provided at no cost to attendees and all seminars provided hand-out materials. One of the SBDCs charged for the comprehensive packet of information. This charge was not mandatory for attendance and the SBDC provided power point and several other handouts for those attendees not wishing to purchase the “start-up kits.”

In reviewing the presentation and course materials, more similarities than differences were discovered. This is in large part due to the support provided by the SBA and DCEO. All of the SBDCs provided the following topic information to seminar attendees:

1. Basic services of the local Small Business Development Center. Business counseling, assisting in preparing financial statements, business plan preparation assistance, and assistance in understanding the specific market are typical of all SBDC services.
2. Different forms of Legal Organization. Sole proprietorship, partnerships, corporations (Subchapters C & S), and limited liability companies were all mentioned in the content. Advantages and disadvantages of each legal form were also addressed.
3. Registering a Business. Federal Employer Identification Numbers and Illinois State Department of Revenue state tax numbers were outlined. Business registration requirements at the county, state, and federal were also identified.
4. Market information. Industry market analysis, market research, market strategy, marketing plan for the proposed business, and the target market were identified in handouts and power point presentations.
5. Writing a Business Plan. The importance of writing a business plan was identified by each participating SBDC. Most SBDC's provided business plan outlines and several SBDCs provided sample business plans. Several SBDC's have separate seminars addressing business plans more completely. Those seminars typically are required after attendance of the basics seminar.
6. Financing a Business. An understanding of how to finance a business was presented at all seminars. Most of the SBDCs concentrating on bank financing as opposed to equity investment. All SBDCs indicated the importance of good credit in supporting a solid loan application.
7. Additional Resources. In addition to the *Illinois Small Business Resource Guide – 2005 Edition* and the *Starting a Business in Illinois Handbook*, most SBDCs provided additional resources via paper documents or websites. The additional documents and websites were fairly consistent across participating SBDC.

Participating Small Business Development Centers

Central Region

Lincoln Land Community College

Length of Seminar: 3 Hours

Power Point Presentation: Yes

Power Point Handouts: Yes

Fee for Class: No

Fee for Handouts: No

Handouts Description:

- Illinois Small Business Resource Guide – 2005 Edition (Small Business Administration)
- Cash Flow Statement Worksheet
- Brief Description of Lincoln Land SBDC Services
- Starting a Business in Illinois Handbook (Illinois Department of Commerce and Economic Opportunity)
- How to Start a Small Business Guide (Lincoln Land Community College)
- Business Plan Workbook (Lincoln Land Community College)

Comments:

The focus of the seminar was based on materials within the power point presentation. The presentation focused on the “How to Start a Small Business Guide” prepared by Lincoln Land Community College. A brief description of services provided by the Lincoln Land Small Business Development Center was presented. The next section covered discussed a checklist for starting a business. A timeline for starting a business and brief description of the importance of writing a business plan was discussed next. Within this component a number of areas were addressed including: market analysis; business description; organization and personnel; and organization policies. Questions from seminar attendees were encouraged during the class and at the end of the session.

East Central Region
University of Illinois Extension

Length of Seminar: 3 Hours

Power Point Presentation: Yes

Power Point Handouts: Yes

Fee for Class: No

Fee for Handouts: No

Handouts Description:

- University of Illinois Extension Small Business Development Center (SBDC) Brochure
- Schedule of Upcoming Seminars sponsored by the SBDC
- Starting a Business in Illinois Handbook (Illinois Department of Commerce and Economic Opportunity)
- Article from Newspaper
- Business Plan Outline
- Legal Forms of Business Comparison
- Power Point Handout of Presentation

Comments:

Focus of the seminar was on materials identified within the power point presentation. The additional materials were distributed to attendees as resources. The seminar started with presentation of reasons to start a business, personal considerations, requirements for success, and ingredients necessary for starting a business. Additional topics included sources of start-up funding, legal structure for starting a business, market analysis, registering a business, marketing plan and strategies, and additional resources with website links. Questions from seminar attendees were encouraged during the class and at the end of the session.

North Central Region
Bradley University

Length of Seminar: 3 Hours

Power Point Presentation: No

Power Point Handouts: Yes

Fee for Class: No

Fee for Handouts: No

Handouts Description:

- Starting a Business in Illinois Handbook (Illinois Department of Commerce and Economic Opportunity)
- Illinois Small Business Resource Guide – 2005 Edition (Small Business Administration)
- Power Point Handout of Presentation
- Internet Resources Handout
- Small Business Government Resources Handout
- Business Plan Check List
- Brochure for Business Plan Workshops

Comments:

While there was no visual power point presentation, focus of the seminar was on materials identified within the power point presentation. The additional materials were distributed to attendees as resources. A brief description of services provided by the Bradley Small Business Development Center was provided. Topics covered in the lecture included: choosing and registering a business name; licenses and permits; obtaining a tax identification number; business bank accounts; insurance; forms of legal organization; recordkeeping; taxes; financing; and business plans. Questions from seminar attendees were encouraged during the class and at the end of the session.

Northeast Region
College of DuPage

Length of Seminar: 3 Hours

Power Point Presentation: Yes

Power Point Handouts: No

Fee for Class: Yes - \$40

Fee for Handouts: No

Handouts Description:

- Illinois Small Business Resource Guide – 2005 Edition (Small Business Administration)
- Basics of Starting a Small Business Guide (The Small Business Development Center Business and Professional Institute, College of DuPage)

Comments:

Focus of the seminar was on materials identified from the Basics of Starting a Small Business Guide assembled by the College of DuPage Small Business Development Center. The additional guide was distributed to attendees as resources. The seminar started with a brief description of services provided by the College of DuPage Small Business Development Center. Topics in the materials and presentation included: basics of starting a small business; myths of starting a business; ways to get into business; writing a business plan; financing your business; and business resources. Time was spent discussing franchising as a business strategy. Questions from seminar attendees were encouraged during the class and at the end of the session.

Northern State Region
Highland Community College

Length of Seminar: 3 Hours

Power Point Presentation: Yes

Power Point Handouts: Yes

Fee for Class: No

Fee for Handouts: No

Handouts Description:

- Top Ten Consumer Behavioral Trends for 2005 Handout
- Five Cardinal Rules of Logo Design Handout
- Entrepreneurial Quotient Handout
- News article Discussing Legal Forms of Organization
- Small Business Development Center Brochure
- Helpful Websites Handout
- Power Point Handout of Presentation

Comments:

Focus of the seminar was on materials identified within the power point presentation. The additional handouts were distributed to attendees as resources. The seminar started with a brief description of services provided by the Highland Community College Small Business Development Center. Topics in the materials and presentation included: business feasibility study, legal forms of organization, discussion of small business product or service, market analysis, marketing your business, understanding of financial statements, development of a business plan, and assistance with loan packaging. Questions from seminar attendees were encouraged during the class and at the end of the session.

Northwest Region
Sauk Valley Community College

Length of Seminar: 3 Hours

Power Point Presentation: Yes

Power Point Handouts: Yes

Fee for Class: No

Fee for Handouts: No

Handouts Description:

- Top Ten Consumer Behavioral Trends for 2005 Handout
- Five Cardinal Rules of Logo Design Handout
- Entrepreneurial Quotient Handout
- News article Discussing Legal Forms of Organization
- Small Business Development Center Brochure
- Helpful Websites Handout
- Power Point Handout of Presentation

Comments:

Focus of the seminar was on materials identified within the power point presentation. The additional handouts were distributed to attendees as resources. The seminar started with a brief description of services provided by the Highland Community College Small Business Development Center. Topics in the materials and presentation included: business feasibility study, legal forms of organization, discussion of small business product or service, market analysis, marketing your business, understanding of financial statements, development of a business plan, and assistance with loan packaging. Questions from seminar attendees were encouraged during the class and at the end of the session.

Southeast Region
Kaskaskia College

Length of Seminar: 3 Hours

Power Point Presentation: Yes

Power Point Handouts: Yes

Fee for Class: No

Fee for Handouts: No

Handouts Description:

- Financing Resources Handout
- Business Plan Workbook
- Sample Business Plan
- Market Research & Internet Resources Handout
- Legal and Tax Issues Handout
- Small Business Success – SBA Guide
- Illinois Small Business Resource Guide – 2005 Edition (Small Business Administration)
- Starting a Business in Illinois Handbook (Illinois Department of Commerce and Economic Opportunity)

Comments:

Focus of the seminar was on materials identified within the power point presentation. The additional guides were distributed to attendees as resources. The seminar started with a brief description of services provided by the Kaskaskia Community College Small Business Development Center. Topics in the materials and presentation included: legal structure and tax issues for small business, market research and internet resources, writing a business plan, and basics of financing. Questions from seminar attendees were encouraged during the class and at the end of the session.

Southern Region
Southern Illinois University – Carbondale

Length of Seminar: 2 Hours

Power Point Presentation: Yes

Power Point Handouts: Yes

Fee for Class: No

Fee for Handouts: Yes - \$10.00

Handouts Description:

- Business Reference Guide (SIUC)
- Business Plan Workbook (SIUC)
- Sample Business Plan (SIUC)
- Power Point Handout of Presentation
- Instructions for SS-4 – Application for Federal Employer Identification Number
- REG-1 – Illinois Business Registration Application
- Internal Revenue Service Publication 583 – Starting a Business and Keeping Records
- Illinois Small Business Resource Guide – 2005 Edition (Small Business Administration)
- Starting a Business in Illinois Handbook (Illinois Department of Commerce and Economic Opportunity)

Comments:

The focus of the seminar was on materials identified within the power point presentation. The additional materials were distributed to attendees as resource materials. The seminar started with a brief description of services provided by the SIUC Small Business Development Center and Illinois Entrepreneurship Network Partners affiliated with the SBDC. Topics covered in the presentation included legal structure for small business, registering a business, employee issues, writing a business plan, and basics of financing. Questions from seminar attendees were encouraged during the class and at the end of the session.

West Central Region
Western Illinois University

Length of Seminar: 3 Hours

Power Point Presentation: Yes

Power Point Handouts: Yes

Fee for Class: Yes

Fee for Handouts: No

Handouts Description:

- Starting a Business in Illinois Handbook (Illinois Department of Commerce and Economic Opportunity)
- Marketing on the Internet Brochure
- E-Commerce Business Profile Website
- Challenges of Starting a Business Handouts
- IEN Business Information Center Handout
- Western Illinois Entrepreneurship Network Brochure
- 2006 Workshop Series at Western Illinois University SBDC
- Illinois Small Business Resource Guide – 2005 Edition (Small Business Administration)
- Power Point Handout of Presentation
- IRS Publication 583 – Starting a Business and Keeping Records
- Occupational Safety and Health Administration Agency Requirements Handout
- Practical Guide to Environmental Management for Small Business
- Business Plan Outline

Comments:

Focus of the seminar was on materials identified within the power point presentation. The additional guides were distributed to attendees as resources. This seminar is part of a four-seminar series over four consecutive weeks. This is provided to SBDC clients at four sites in the district. Handouts described above only pertain to the first seminar “Building a Winning Image.” The seminar started with a brief description of services provided by the Western Illinois University Small Business Development Center. Topics in the materials and presentation included: turning your idea into a business; challenges facing new business owners; why businesses fail; marketing research; e-commerce; market analysis; and market strategy and promotion. Questions from seminar attendees were encouraged during the class and at the end of the session.

Southwest Region
SIU-E/East St. Louis SBDC

Length of Seminar: 3 Hours

Power Point Presentation: Yes

Power Point Handouts: Yes

Fee for Class: No

Fee for Handouts: No

Handouts Description:

- Starting a Business in Illinois Handbook (Illinois Department of Commerce and Economic Opportunity)
- Power Point Handout of Presentation

Comments:

Focus of the seminar was on materials identified within the power point presentation. The additional guide was distributed to attendees as resources. The seminar started with a brief description of services provided by the Southern Illinois University Edwardsville Small Business Development Center. Topics in the materials and presentation included: forms of organization and registration; taxes; business services; obtaining financing; market research; market strategy; and writing a business plan. Questions from seminar attendees were encouraged during the class and at the end of the session.

City of Chicago**Jane Addams Hull House****Length of Seminar:** 2 Hours**Power Point Presentation:** No**Power Point Handouts:** Yes**Fee for Class:** No**Fee for Handouts:** No**Handout Description:**

- Small Business Description
- Traits of Successful Entrepreneurs
- Skills Assessment
- Business Plan Description
- Types of Legal Structure
- Financial Statements & Financing Needs
- Steps in Starting a Business
- Online Resources

Comments:

Focus of the seminar was on materials identified within the power point handouts. The additional guides were distributed to attendees as resource materials. The seminar started with a brief description of services provided by the Jane Addams Hull House Small Business Development Center. Topics in the materials and presentation included: small business description and traits of successful entrepreneurs, skills assessment, business plan description, types of legal structure, financial statements and financing needs, and resources provided. Questions from seminar attendees were encouraged during the class and at the end of the session.

University of Illinois at Chicago (Center for Urban Business)**Length of Seminar:** 3 Hours**Power Point Presentation:** Yes**Power Point Handouts:** Yes**Fee for Class:** Yes - \$40 (\$30 if prepaid)**Fee for Handouts:** No**Handouts Description:**

- University of Illinois at Chicago Center for Urban Business Small Business Development Center Brochure
- Starting a Business in Illinois Handbook (Illinois Department of Commerce and Economic Opportunity)
- Center for Urban Business Small Business Development Center Guide

Comments:

The seminar begins with a review of services provided by the SBDC. The additional guides were distributed to attendees as resource materials. The seminar was designed to instruct pre-venture and startup business owners on the step-by-step process of starting a business, securing capital, choosing a legal structure, organizing a business plan, and maintaining business operations to enhances chances for success in starting a business. Questions from seminar attendees were encouraged during the class and at the end of the session.

Appendix G: Comments from Survey Respondents

- To let us know the schedule of upcoming seminars i.e. next month will be accounting or another topic. Other than that it was very informative.
- Food
- No ideas
- It might have been beneficial to ask everyone what they wanted to get out of the course and then tailor the material on the fly (which I am confident Instructor could have done).
- Very helpful general information. Gave us information to take next steps.
- Would not change anything
- Was presented well. Instructor was relaxing and informative.
- Clarified many points of concern clear - to the point. Very helpful - great instructions.
- Handouts were great, but could have been more organized so we don't have to flip-flop back and forth and get lost.
- Would like to ensure more information on a non-profit to protect the environment and the peoples
- I enjoyed the general aspect of the seminar. Options in more detail would be great in a longer setting
- Consider CD with examples i.e., business plan
- Cover more on taxes and corporate structure
- Cover LLP attributes
- Include marketing and more around financing.
- All good.
- More talk on taxes.
- One improvement would be to provide additional information on financial funding for a small business or individuals who could be contacted for personal resources starting a small business.
- Concentrate less on why or why not and go over tax/record keeping/set-up.
- Later start times.
- None noted.
- Awesome information
- Very helpful cant think of a thing
- Indicate longer time slot for questions and answers.
- Wish that seminars would be categorized by type of corp. so that it can be minimized (time). I thought it would be one hour long - I had to leave after 2 hours 15 minutes and it was not close to done. No time for Q & A. Notify us to come early if paperwork.
- More financial/funding details, although I understood, most people aren't that far yet.
- This is a great overview of a very complicated process
- Time allowed was adequate.
- More time. Our instructor has a wealth of information and more time would allow less rush for him when there have been many questions.

- Go into marketing, listing name in yellow pages etc. (15 min.)
- Don't allow small children in the seminar.
- Have Popcorn.
- Possibly make it longer so more material could be covered.
- Examples of business plan for a couple of different small businesses.
- None - very informative within time limits.
- 3 Hours isn't enough time to cover all of the topics mentioned today. I feel as least 6 hours minimum would be sufficient.
- Slightly longer.
- Possibly 2 sessions long.
- Make this a 2 day seminar. A lot of information to cover in a 3 hour session.
- I wouldn't change the seminar, I just would come earlier in the process than I did.
- Seminar was exactly as expected.
- None, Perhaps a little more in-depth material to take home about business plan strategy.
- None. The instructor was enthusiastic and the information was very helpful.
- Some candy would be nice but otherwise perfect. Thanks you.
- Handout sheets had bottom of material missing. It would be nice to have good materials. Kind of like pizza and coffee stains
- None
- Longer session with more detail on state and government forms
- I think everything was excellent
- No changes - Just enough information.
- Include sample business plan.
- More about community loans.
- Given the time restriction, I feel a lot was covered.
- Let people know to follow along with stapled booklet + projections. Excellent!
- None, went very well
- To me everything was great
- Have not been through others to compare
- I would have liked to have more information regarding taxes, i.e. sales, income, etc.
- The presentation was a comprehensive overview of a huge field
- Extend time a little to allow more input as the seminar goes on.
- I felt the instructor was very informative
- Should be covered in future meetings with instructor
- More time
- I felt it was informative. Enjoyed instructor & his personal business experiences.
- A little more time
- More time

- Have the material available on a CD - more website links to government SBA resources, etc.
- Make it longer.
- I can't say that I would change anything about how this class was presented. Information was given in a professional manner and explained very well. It showed me a lot of ideas and gave me many things to think about.
- To get more participation, far as questions and answers from the group.
- Maybe have 2 sessions to be a little more informative and on a 1 to 1 basis.
- Printed material to accompany slide show.
- Handouts with Internet sites for Local/Government Info.
- Cant think of any
- Perhaps a reference/resource handout (if not included in packet) concerning helpful websites listed in slides.
- None
- Cover topic of patents
- Room was cold in my opinion. Good information, no changes.
- There is a lot of improvement in my ideas and knowing more of what I need to get started
- I wouldn't change anything
- Provide more detail - seemed too broad n some areas
- It was very organized
- I was impressed by the material presented. It would be hard to improve.
- Make your audience participate more. Involve their potential situation into lecture. This may be somewhat difficult due to time constraints.
- I feel it is a bit too soon to respond to most if not all of these questions about the seminar
- Very thorough
- Videos are instant sleep aids. I have been at work all day and the excess of videos made me sleepy. A lot of the material did not apply to me. I feel it applied to people who have merchandise to sell
- Small break in middle of seminar. My mind can only absorb so much before I start to doze even if it's something I'm interested in.
- A break in the middle of the first hour. Maybe extend to a third hour and go into more detail.
- More time
- Spend more time on business plan.
- Have more specific seminars about certain topics of starting your own business so that more details can be covered.
- Closer to home.
- Everything was very informative.
- I think if it was an hour longer it would give more time to go into more details on important information and more time for questions and group information (from others)
- I believe this is a great guide

- The seminar seems to be a very helpful guide. One instructor was very friendly and helpful. I'm ready to go over everything and call for counseling.
- Seminar was very helpful. I wish I would have taken the class 3 weeks ago! I found this all out on my own. Thank you.
- Less time spent on the basic introduction
- shorten it
- The seminar was great.
- Overall the seminar was great. I received a lot of information and learned things that I did not know before.
- PPS is a great way to present initial info & providing copy is convenient for the class. However, I think that the PPS presentation could use some color/flare. This will make it easier for both the instructor and class to follow points as instructor is speaking. This helps maintain class interest while being inundated with lots of contact/resource info that we will need and use but is not info we need specifically immediately.
- Provide snacks for the class.
- None
- More interactive with individuals.
- Would like a seminar on paying taxes, employees etc. - but I plan to read over the form. Received and make appt.
- I will do more and more research on business plans and important advertising contracts and credit
- More time for speaker
- Information appears to be for those already in business not beginning a business
- Card exchange and networking group
- Part of the seminar should be given in slides maybe
- No change
- More time with the lawyer with educating on how to establish the type of business. For example, more explanation on LLC and corporations. What are all the legal Business license requirements and expenses involved? What about business insurance?
- Longer seminar, than 2 hours (3-4 is good)
- Believe they covered pretty much everything
- Almost all of the information is useless to home-based business operating under the owners name with no employees. Capital already obtained.
- Very informative
- Less detail
- More visual Tools.
- This was well worth the time and I am very interested in learning more.

Appendix H: Approval to Use Figure 1

From: Erkkö Autio [erkko@vtxnet.ch]
Sent: Wednesday, June 14, 2006 2:32 AM
To: Kyle Harfst
Subject: Re: Entrepreneurial Intent Article
hello

this is ok with me

...e

Kyle Harfst wrote:

Dr. Autio:

I am a PhD student at Southern Illinois University and am preparing to defend my dissertation.

You may recall that I sent you an e-mail on November 23, 2005 requesting permission to use a questionnaire from the article titled "Entrepreneurial Intent Among Students in Scandinavia and in the USA." You indicated that "The questionnaire is in the public domain so it can be used freely in academic research, as long as the provenance is recognized." Your response was appreciated.

I am preparing to defend my dissertation and would like to use Figure 1 from your article within my dissertation. The graduate school requires that I obtain permission from the author for any figures from outside research. Figure 1 in the article was titled "Illustration of Ajzen's Theory of planned behavior." Would you give me permission to use the figure from your journal article?

Thanks. Kyle

Kyle Harfst
Director
SouthernTECH
Southern Illinois University Carbondale
Carbondale, IL 62901
(618)453-3804
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Appendix I: Approval to Use Figure 2

From: Jessica Kennedy [j.kennedy@cqu.edu.au]

Sent: Tuesday, June 13, 2006 5:35 PM

To: Kyle Harfst

Subject: RE: Enterprise Education Article

Hello Kyle,

You have my permission to insert the conceptual model.

All the best in your studies.

Regards,
Jessica

From: Kyle Harfst [mailto:harfst@siu.edu]

Sent: Wednesday, 14 June 2006 7:40 AM

To: Jessica Kennedy

Subject: Enterprise Education Article

Jessica,

You may recall that I am a PhD Student at Southern Illinois University Carbondale. I am nearing completion of my dissertation and would like to insert The Conceptual Model from the article "Enterprise Education: Influencing Students' Perceptions of Entrepreneurship" in Chapter 2 of review of literature and related research. The Graduate School requires that I receive permission from Authors to use any Figures that I have not created. As long as I give you and Nicole Peterman recognition, do I have permission to insert The Conceptual Model? Thanks. Kyle

VITA

Graduate School
Southern Illinois University

Kyle L. Harfst

Date of Birth: May 19, 1962

1610 Lindbergh Lane, Carterville, Illinois 62918

University of Northern Iowa
Bachelor of Arts, Marketing, December 1984

Southern Illinois University Carbondale
Master of Business Administration, May 1996

Special Honors and Awards

1. William E. Nagle Award, College of Education and Human Services, 2004
2. Beta Gamma Sigma Business Scholar Society, 1996
3. University of Northern Iowa School of Business Achievement Award, 1984
4. Phi Theta Kappa National Honor Fraternity of Community & Junior Colleges, 1982

Dissertation Title:

Assessing Perceptions of Nascent Entrepreneurs

Major Professor: John S. Washburn

Publications:

Harfst, K. (2005). The evolution and implications of entrepreneurship curriculum at universities. *Online Journal for Workforce Education and Development*, 1, 3.

