

A Dissertation

entitled

An Analysis of the Learning Processes of Successful Entrepreneurs

by

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Submitted to the Graduate Faculty as partial fulfillment of the requirements for the
Doctor of Philosophy Degree in Curriculum and Instruction

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Numerous studies show that small business and entrepreneurship are vital to the health of our nation's economy. In fact, over the last decade, these types of ventures account for 70% of economic growth, 75% of new jobs, and represent 99% of all employers.

However, there remains a high rate of failure in these ventures, with over 60% of them failing within 6 years. Studies show that one reason for this failure is that entrepreneurs fail to learn new knowledge/skills as their organizations grow.

Unfortunately, only a limited number of studies have been conducted to investigate the learning process of entrepreneurs. The purpose of this descriptive ethnography was twofold: (1) explore the learning and development challenges experienced by entrepreneurs in the various phases of organizational growth, and (2) explore how entrepreneurs recognize the need to learn and develop plans to address the challenges. Once learning and development challenges, along with corresponding knowledge and skills, are identified, then learning solutions can be developed and offered to help entrepreneurs acquire them.

This descriptive ethnography was conducted with nine entrepreneurs from Northwest Ohio and Southeastern Michigan. Results included primary themes of learning

challenges and the knowledge/skills needed to overcome them. Means of recognizing the need to learn new knowledge/skills and learning tools to acquire them were identified.

Finally, participants gave nine pieces of advice for fellow entrepreneurs.

This study resulted in 14 findings regarding entrepreneurial learning.

Recommendations were provided for entrepreneurs, learning solution providers, and lending institutions. Several additional recommendations for future research emerged from this study, which are noted.

I dedicate this dissertation to my joy and delight, my three children:

Skylar, my first born. You will always be my little princess. My prayer is that you will continue to be sensitive to the things of God.

To Bryce, my firstborn son. Please keep your excitability over new things even as you grow into a man.

Tynan, my little man. A mover born into a family of sitters.

My prayer is that my sons grow up to be men after God's own heart.

Acknowledgements

He gives strength to the weary and increases the power of the weak. Even youths grow tired and weary, and young men stumble and fall; but those who hope in the Lord will renew their strength. They will soar on wings like eagles; they will run and not grow weary, they will walk and not be faint (Isaiah 40:29-31).

These words have never been more true to me than in the last 12 years. It has been a long and arduous journey, but the Lord has remained faithful. All glory goes to Him. With God, all things are possible.

Obtaining my PhD would never have been possible if it wasn't for the support of my one and only true love, BettyJo. She has endured having an absentee husband and father for the last 15 months.

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I also want to thank my committee members: Dr. Sonny Ariss, Dr. Robert Schultz and Dr. Clint Longenecker. They spent countless hours helping bring focus and clarity to my study and presenting it with alacrity and grace.

Finally, I want to say a huge thank you to my hero and inspiration, my dad. Thank you for the time spent in reading the countless drafts and helping me present my thoughts in a manner of which I can be proud.

Table of Contents

Abstract.....	iii
Acknowledgments.....	vi
Table of Contents.....	vii
List of Tables.....	x
CHAPTER 1: Introduction	
Overview.....	1
Problem Statement.....	2
Purpose and Research Questions.....	2
Definition of Key Terms.....	3
Significance of the Study.....	5
Limitations.....	6
Organization of the Study.....	8
CHAPTER 2: Literature Review	
Entrepreneurship.....	9
Entrepreneurial Learning.....	14
Organizational Growth Theory.....	18
Human Performance Technology.....	28
Research Methodology.....	32
Descriptive Ethnography.....	34
Data Analysis.....	35
Trustworthiness.....	36
Background of Panel.....	38
Data Collection Procedures.....	38
CHAPTER 3: Research Design and Methodology	
Descriptive Ethnography.....	40
Participant Selection.....	42
Data Collection.....	44
Data Analysis.....	45
Confidentiality.....	47
Data Back-up.....	47
Role of Researcher.....	48
CHAPTER 4: Findings	
Introduction.....	49
Data Generation.....	50
Theme Production.....	52

Stage One: Data Reduction.....	52
Guarding Against Lost Data.....	53
Stage Two: Data Display.....	55
Participant Demographics and Characteristics.....	56
Craig.....	57
Kim.....	59
Lee.....	61
Mike.....	62
Bruce.....	64
Gary.....	65
Bill.....	67
Skip.....	68
Tim.....	69
Results.....	69
Research Question #1.....	70
Research Question #2.....	98
Research Question #3.....	102
Research Question #4.....	118
Research Question #5.....	126
Summary.....	138
 CHAPTER 5: Discussion and Recommendations	
Overview of Study.....	139
Data Analysis.....	141
Prolonged Engagement in the Field.....	142
Clarifying Researcher Bias.....	143
Archival Analysis.....	144
Member Checks and Panel Review.....	144
Thick Rich Narrative Descriptions.....	145
Discussion of Findings.....	146
Participant Demographics and Characteristics.....	146
Research Question #1.....	147
Research Question #2.....	151
Research Question #3.....	152
Research Question #4.....	155
Research Question #5.....	160
Recommendations.....	163
References.....	167
 Appendices	
Appendix A.....	180
Appendix B.....	182
Appendix C.....	184
Appendix D.....	187
Appendix E.....	188

Appendix F.....	191
Appendix G.....	194
Appendix H.....	199

List of Tables

Table 1: Six Categories of Tipping Points.....	27
Table 2: Six Measures of Goodness.....	36
Table 3: Three Stages of Data Analysis.....	52
Table 4: Participant Demographics.....	57
Table 5: Ten Primary Themes for Research Question #1.....	71
Table 6: Six Primary Themes for Research Question #2.....	99
Table 7: Five Primary Themes for Research Question #3.....	103
Table 8: Nine Intrinsically Motivated Factors.....	119
Table 9: Seven Extrinsically Motivated Factors.....	123
Table 10: Nine Pieces of Advice.....	127

Chapter 1

Introduction

1.1 Overview

Entrepreneurial activity is vital to the health of the US economy. The vast majority of entrepreneurial organizations start as small businesses which are the engine for economic growth in our nation. Studies have shown that over the past decade, approximately 75% of the new jobs each year in the U.S. come from small business (Small Business, 2008).

Some experts attribute nearly 70% of economic growth to entrepreneurial activity (West Virginian Policy Issue, 2008). Nationally, small businesses continue to be a major business force. They represent over 99% of all employers, employ approximately 50% of the private work force, and provide over 40% of the private sales in the U.S. (Small Business, 2007).

However, entrepreneurial business starts are not an automatic success story. A study by the Small Business Administration (2002) found that one third of start-ups fail within their first 2 years, half fail within 4 years, and nearly 60% fail within 6 years. Finding out why these businesses fail and how to prevent it is vital to entrepreneurs and to our economy. There have been numerous studies addressing why these organizations fail (Palich & Bagby, 1995; Perry, 2002; Watson & Everett, 1996). One of the main reasons

discovered is that entrepreneurs failed to learn new knowledge, skills and abilities as their organizations started to grow (Monk, 2000).

1.2 Problem Statement

Today, entrepreneurship is one of the most popular topics in business literature. A wide range of research is in progress to find out what is needed for successful entrepreneurial launches, proper capitalization, market penetration, and rapid ramp-up. Surprisingly, research of the human component of entrepreneurship is still in its infancy stage. Research is very clear that entrepreneurs have certain traits and characteristics, such as a propensity for risk-taking, high levels of creativity and innovation, and disregard for bureaucracy. But there is little research reported concerning how entrepreneurs learn and develop as their organizations grow and mature. More specifically, the question is “How do entrepreneurs learn and develop as they face the various challenges associated with the growth phases of their organization?”

1.3 Purpose and Research Questions

The purpose of this study was to explore learning and development challenges experienced by entrepreneurs in the various phases of organizational growth. Further, I explored how some entrepreneurs recognize the need to learn a new knowledge or skill in order to overcome these challenges and develop a plan to address them. This information will lead to a better understanding of the types of support and developmental assistance needed to help entrepreneurs effectively deal with the survival and growth of their organization.

Accordingly, this study sought answers to the following five research questions regarding the learning and development challenges faced by entrepreneurs in the various organizational growth phases:

1. What are the most significant learning and development challenges entrepreneurs experience at each of the various phases of organizational growth (start-up, growth, maturity, and decline)?
2. What specific knowledge/skills are most important to entrepreneurs' success at each of the various phases?
3. What are the most valuable learning tools for entrepreneurs? Who/What helped?
4. How do entrepreneurs recognize the need for learning?
5. What advice can entrepreneurs offer fellow entrepreneurs about what and how to learn during the various phases?

1.3 Definition of Key Terms

Descriptive Ethnography – a type of ethnographic research that seeks to understand a particular phenomenon within a certain population by gathering information from that population mostly through interviews, observation, and collection of artifacts (Brewer, 2000).

Entrepreneur – an individual who, independently or together with a partner or founding team, establishes and manages a business with the principal objective of profit and growth, demonstrates innovative behavior, and employs strategic management practices (Carland, Hoy, Boulton, & Carland, 1984).

Entrepreneurial Learning – how entrepreneurs construct new meaning and enact new behaviors in the process of recognizing and acting on opportunities and managing business ventures to meet growth objectives (Carland et al., 1984; Rae & Carswell, 2000).

Entrepreneurship – inter-related processes of creating, recognizing, and acting on opportunities, that combine innovating, decision-making and action (Shane & Venkataraman, 2000).

Human Performance Technology - a systematic process that links business strategy and goals, along with worker's abilities to achieve them with a variety of interventions, including environment redesign, learning and training, and incentive system reconfiguration (Rothwell, 1996).

Learning – the process by which people acquire new knowledge, including skills and specific competencies, from experience or by observing others, and assimilate and organize such knowledge with prior knowledge in their memory to make this information retrievable for use in both routine and non-routine action (Anderson, 1982).

Organizational Life-Cycle Models – a set of theoretical models suggesting that organizations follow a predictable path, characterized by distinct stages of development. These stages were (1) sequential, (2) a hierarchical progression that is not normally

reversed, and (3) involve changes to a broad range of organizational structures and activities (Dodge, Fullerton, & Robbins, 1994).

Small Business – an independent business employing less than 500 employees (Small Business Administration, 2006).

1.4 Significance of the Study

Given the large number of entrepreneurial organizations that fail, and the desire to encourage more entrepreneurial activity, an examination of entrepreneurial learning through the experiences of entrepreneurs may provide insight into the successes and failures of these organizations. Examining the learning experiences through ethnographic methods, such as semi-structured interviews and member checking, allowed the researcher to listen to entrepreneurs describe their knowledge, awareness and understanding of a situation or phenomenon and to reflect back to them the essence or sense of meaning shared.

It is essential to find out the skills that entrepreneurs believe are required as they and their organizations evolve and grow. Once these skills are identified, then learning solutions can be developed and offered to help entrepreneurs acquire these skills. In addition, if such support is to be effective, it should be provided “just-in-time” as opposed to delivered in a pre-set and prescribed manner.

From a support perspective, an understanding of how entrepreneurs learn is important if we wish to reduce the attrition rate of entrepreneurial organizations and improve their growth rates. However, many entrepreneurial education programs are provided in a four-

year degree format by local universities. These academic degree programs deliver predetermined curriculum with a “one size fits all” mentality that may not have relevance or value to potential entrepreneurs. Alternatively, learning solutions need to be developed so that knowledge and skills can be acquired when needed by entrepreneurs. Additionally, these learning solutions need to be tailored to the needs of the individual entrepreneur.

Entrepreneurial learning is of critical importance to the survival and growth of these organizations. An approach utilizing organizational growth phases may be able to assist in planning the details of training and other support. But ultimately, it is vital that any support is responsive and flexible to individual needs (Sullivan, 2000).

The significance of this study is threefold. It will:

1. Contribute to the limited research reported about entrepreneurial learning and its role in the growth of the organization.
2. Benefit both beginning and existing entrepreneurs by strengthening our understanding of entrepreneurs’ learning experiences.
3. Provide insights to academics involved in the design and implementation of entrepreneurial education by indentifying key learning needs and solutions.

1.5 Limitations

Research studies are limited by those aspects of the design and implementation that could potentially weaken the trustworthiness of a study (Creswell, 2005 & Glesne, 1999).

For this research study, the following limitations have been identified:

1. Concerns with the study's generalization because the sample size is small and purposeful. As with many qualitative studies, the intent of this study is not to generalize findings or replicate results, but to describe the experiences of local entrepreneurs in terms of learning and development challenges encountered as their organizations matured.
2. Verifying the accuracy of the participants' self-ascriptions. Even though the telling of the participant's experiences will provide valuable information, the natural fading of memories and recall biases will distort, to some degree, the accuracy of actual experiences. Secondary data were used to validate historical aspects of the self-report material.
3. The role I played in this study. The quality of data collection and the results are highly dependent on the skills of the researcher. The skills and experience of the researcher influences how well the data are summarized into themes and conclusions drawn. Comparison and interpretation of a mass amount of data is complex. Due to my inexperience in conducting qualitative research, there is a risk that I might inadvertently bias the results. To limit the potential for such bias, protocols were established for collecting data and analyzing it. In the data analysis phase, the data and findings were examined by two experienced researchers, and the participants were asked to verify the accuracy of the collected data.
4. The participants themselves. A purposeful sampling method was utilized. With this technique, it is possible for selection bias to occur. I could have inadvertently selected participants who had similar backgrounds and experiences. However,

these experiences might not be representative for entrepreneurs in general.

Additionally, the quality of data collected through interviews is based on the ability of the participants to communicate their experiences. Some participants are better describers of their experiences than others.

5. Participants' understanding of the four phases of organizational growth. In order for participants to accurately assign learning and development challenges to a particular phase, as well as the knowledge/skills needed to overcome these challenges, they must have a solid understanding of the phases. Even though a description of the four phases was provided, it was the first time many of the participants thought of their experiences in terms of formal organizational growth phases. Because of this unfamiliarity, it is possible that they attributed a challenge, as well as the corresponding knowledge/skills, to a different phase than what actually happened.

1.6 Organization of the Study

The remainder of this study is organized into four chapters. Chapter Two is the review of the literature. Chapter Three explains the methodology and includes: participant selection, data collection, and data analysis. Chapter Four presents the supporting data for the findings generated in this study and includes: summary of the data generation process, the theme production process, the participant demographics, and the findings for the five research questions. Chapter Five present the major finding from this study and recommendations for practice and for future research.

Chapter 2

Literature Review

This literature review contains five sections: Entrepreneurship, Entrepreneurial Learning, Organizational Growth, Human Performance Technology, and Research Methodology. Entrepreneurship includes definitions of entrepreneurship and details the differences between entrepreneurs and small business owners. Entrepreneurial Learning reviews the literature on how entrepreneurs learn and the importance of learning on the success of their organizations. Organizational Growth reviews how entrepreneurial organizations mature and the challenges they encounter. Human Performance Technology gives an overview of the principles of human performance technology and how learning interventions can assist in the performance improvement of entrepreneurs and their organizations. Finally, Research Methodology gives the rationale for the selection of the research design.

2.1 Entrepreneurship

According to the U.S. Panel Study on Entrepreneurial Dynamics, there are approximately 12 million people in the United States who are undertaking some entrepreneurial endeavor (Wirtz, 2008). It is also estimated that up to one-half of all

adults are engaged in self-employment or the creation of a new business at some point during their work career (Reynolds & Curtin, 2008). Research has shown that economic growth is strongly associated with the creation of new firms, because they generate jobs and improve productivity (Wirtz, 2008).

For these reasons, one can make an argument that small business and entrepreneurship are vital to the economy of any country. Haynes and Ou (2002) stated that “entrepreneurs are the engine of growth and innovation in the competitive market economy and that they are the catalyst for the economy by consistently introducing and initiating new products, new production methods, and new solutions to businesses” (p. 3). Entrepreneurship has been recognized as a significant field of research (Murphy, Liao, & Welsch, 2005) and is one of the fastest growing areas of research (Landstrom, 1999). Murphy et al. (2005) stated that “the strong interest in the field has been driven by recognition of the fact that entrepreneurial ventures are key drivers of economic growth” (p. 13).

Although *entrepreneurship* has become a buzzword in the public discussion, a coherent definition of entrepreneurship has not yet emerged (Iversen, Jens, Jorgensen, & Malchow-Moller, 2008). There are many different ideas and concepts being used. Wirtz (2008) pointed out, however:

... even though entrepreneurship is a vague concept, countries must not ignore it because it is increasingly seen as the wellspring of healthy, growing economies, and failure to understand the dynamics of the person and the process makes it unlikely that economies will get optimum levels of each. (p.13)

Entrepreneurship has a wide range of meanings. The word entrepreneur originated from the French word, *entreprendre*, which means “to undertake.” The term is attributed to Irish economist Richard Cantillon, whose 1732 essay on commerce devoted attention to those who “undertake” economic activities that involve both risk and potential gain (as discussed in Wirtz, 2008).

Entrepreneurship has been defined as the act and process by which societies, regions, organizations, or individuals identify and pursue business opportunities to create wealth (George & Zahra, 2002). Stewart and Roth (2001) defined an entrepreneur as an individual who independently owns and operates a business.

Further, entrepreneurs tend to start ventures locally. Approximately three out of four entrepreneurs do not change where they live as a result of starting their venture (Cooper & Dunkelburg, 1987). More often than not, entrepreneurs get their ideas from their present line of work or experience. Eighty percent of all new, high-potential businesses are founded in industries where the entrepreneur had the most experience (Bygrave, 2004). Entrepreneurs may actually begin their venture by working part-time or “moonlighting” while still holding another job.

Many people use the terms “entrepreneur” and “small business owner” interchangeably. While the terms have much in common, there are significant differences between an entrepreneurial venture and a small business. The Internet Center for Management and Business Administration (2009) pointed out that entrepreneurial ventures differ from small businesses in the following four ways:

1. Amount of wealth creation – rather than simply generating an income stream that replaces traditional employment, a successful entrepreneurial venture creates substantial wealth.
2. Rate of wealth creation – while a successful small business can generate several million dollars of profit over a lifetime, entrepreneurial wealth creation often is rapid.
3. Risk – the risk of an entrepreneurial venture must be high, otherwise, there would be multiple ventures pursuing the idea and the opportunity no longer would exist.
4. Innovation – entrepreneurship often involves substantial innovation beyond what a small business might exhibit. This innovation gives the venture the competitive advantage that results in wealth creation. The innovation may be in the product or service itself, or in the business process used to deliver it.

Carland, Hoy, Boulton, and Carland (1984) first defined the differences between entrepreneurs and small business owners. They described an entrepreneur as an individual who operated a small business for profit and growth. Conversely, a small business owner was defined as the individual who established and managed a business for the purpose of furthering personal goals and agendas. They pointed out that the key differentiator was that entrepreneurs were more growth-oriented.

As a result of the Carland study, there have been numerous follow-up studies on the differences between entrepreneurs and small business owners. Runyan, Droge, and Swinney (2008) studied the characteristics and motivations of the small business owner. They found the small business owner operated the business to further personal goals as well as to generate family income. Jenkins and Johnson (1997) found making a living

and having more leisure time were the primary motivators of small business owners. Cooper (1993) noted that a certain “comfort level,” or personal achievement, motivated some business owners to reach personally “acceptable” business performance levels rather than maximizing performance. Vesper (1980) pointed out that many small business owners never intend for the venture to grow beyond a specific level. Finally, Fischer, Reuber, and Dyke (1993) found that concerns for a balanced lifestyle figure prominently in motivations for starting and managing a business, and that this desire for balance correlates with performance outcomes.

Small business owners may have less of a preference for innovation than exhibited by entrepreneurs (Stewart, Watson, Carland, & Carland, 1998). Carland et al. (1984) suggested entrepreneurs typically engage in innovation, introduce new goods and methods, and open new markets and sources of supply. In contrast, small business ventures are independently owned, not dominant in their field, and do not engage in many new or innovative practices or marketing.

Finally, Jenkins and Johnson (1997) looked at the differences between the intentions and outcomes of entrepreneurial and non-entrepreneurial owners. Entrepreneurial intentions were inferred where the owner-manager had an explicit desire to increase the revenue and profit performance of the business. Entrepreneurial outcomes were inferred where the entrepreneurial venture had achieved consistent growth in sales and profit variables over a five-year period. Non-entrepreneurial intentions were inferred where the owner-manager had an explicit desire to stabilize the revenue and profit performance of the business. Non-entrepreneurial outcomes were inferred where the business venture was stable in terms of sales and profit variables over a five-year period.

For the purpose of this study, the following definition of an entrepreneur was used: “an individual who, independently or together with a partner or founding team, establishes and manages a business with the principal objective of profit and growth, demonstrates innovative behavior, and employs strategic management practices (Carland, Hoy, Boulton, & Carland, 1984).

2.2 Entrepreneurial Learning

Effective entrepreneurs are exceptional learners. They learn from everything. They learn from customers, suppliers, and especially competitors. They learn from employees and associates. They learn from other entrepreneurs. They learn from experience. They learn by doing. They learn from what works and, more importantly, from what doesn't work. (Smilor, 1997, p. 344)

Wide-ranging research has taken place over the last half of the 20th century aimed at defining the entrepreneur, finding out what types of people become entrepreneurs, and examining the personality and backgrounds of entrepreneurs so common characteristics and traits could be identified. These characteristics and traits were hailed as early indicators of who had better chances of being successful entrepreneurs. Even though the focus of academic research has continued to explore what entrepreneurs do to create and sustain successful organizations, there has been a gradual shift from studying the “entrepreneur” as an entity towards an understanding of the entrepreneurship process (Rae, 2000). One of these critical processes is how entrepreneurs actually learn and work in “entrepreneurial” ways.

A significant amount of literature has discussed the importance of learning to the success of any organization. Such learning is important at all levels: individual, team, and organizational. Senge (1990) has pointed out that organizations require effective learning capability if they are to succeed in a complex, competitive, and challenging world. Amin and Wilkinson (1999) stated that “the ability of firms and business systems to sustain learning and adaptation has become a matter of crucial importance for competitive survival” (p.121), while authors such as Dosi and Malerba (1996) discussed the importance of an organization’s “capability to learn.” In summary, the ability to learn on a continuous basis is a necessity for competitive success.

There are numerous definitions of learning. According to Beach (1980), learning is the human process by which skills, knowledge, habit, and attitudes are acquired and altered in such a way that behavior is modified. Kolb’s (1984) definition of learning was more experiential: “the process whereby knowledge is created through the transformation of experience. Knowledge results from the combination of grasping experience and transforming it” (p. 41). Finally, Mumford (1995) defined learning as an emergent, sense-making process in which people develop the ability to act differently, through knowing, doing, and understanding why.

The study of entrepreneurial learning has become a popular focus in entrepreneurial research over the past decade. In entrepreneurial education, the focus has been on functional skills training, that is, accounting, marketing, manufacturing, etc. However, recently, research has begun to shed light on the importance of learning from one’s experience. Studies have found that even though this “functional skills training” is the most common type of entrepreneurial education, experiential learning is still essential to

successful entrepreneurial learning (Warren, 2004). Rae and Carswell (2000) noted, however, that there is still little research on how successful entrepreneurs have turned their experience into learning.

Additionally, studies are finding that entrepreneurs are action-oriented and that learning occurs through experience and discovery (Pittaway & Cope, 2007; Rae, 2000; Rae & Carswell, 2000). These researchers have argued entrepreneurs learn through doing and reflection (Deakins & Freel, 1998; Cope & Watts, 2000), including “learning by copying, learning by experiment, learning by problem solving and opportunity taking, and learning from mistakes” (Gibb, 1997, p.19). Overcoming opportunities and problems have been identified as fundamental to how entrepreneurs learn, while major setbacks and sporadic critical events have been shown to be catalysts for learning (Minniti & Bygrave, 2001; Pittaway & Cope, 2007).

Churchill and Lewis (1983) postulated that any small firm experiencing growth will move through a life-cycle process of growth stages. This approach is analogous to life-cycle approaches to products, implying an early growth stage following birth, then maturity and, eventually, decline and death. However, other researchers of small firms have criticized that such life-cycle approaches are too simplistic and postulated that the growth process is far from sequential. More likely, it consists of a series of disconnected “jumps” or spurts of growth, which may be interspersed with relative periods of stability (O’Farrell & Hitchens, 1988).

Deakins and Freel (1998) found the learning process of entrepreneurs is an essential part of the evolution of entrepreneurial organizations. The learning process is rarely foreseen or planned; rather it is unexpected and a result of reacting to various critical

events. Through these critical events, the entrepreneur learns to process information, adjust strategy, and make decisions. It may also be argued that learning entails not only a process of “adaptive” learning in order to cope with change and survival, but also “generative” learning which embodies the capacity to create and bring forward experience, rather than wait and learn from it (Sullivan, 2000).

Research has led to the understanding that there are certain “episodes” or “events” that play a critical role in the process of entrepreneurial learning. Rae and Carswell (2000) suggested the existence of significant learning episodes that have been instrumental in forming entrepreneurs’ approaches to life and work. Similarly, Young and Sexton (1997) argued that the learning activities of entrepreneurs emerge from both reactive and proactive responses to opportunities and problems. Scott and Bruce (1987) emphasized the importance of significant events when they found that crises were extremely important to the entrepreneur for both business and personal life.

Additionally, it appears that the growth process of entrepreneurial organizations is essentially non-linear and discontinuous. It is a process that is characterized by significant and critical learning events. The ability of entrepreneurs to maximize knowledge as a result of experiencing these learning events will determine how successful their firm eventually becomes (Deakins & Freel, 1998).

These studies point to the need to help entrepreneurs learn rather than forcing pre-made solutions. This need for further research on entrepreneurial learning was best stated by Deakins (1996):

We do not understand how entrepreneurs learn, yet it is accepted that there is a learning experience from merely establishing a new enterprise. The

learning process that is involved in business and enterprise development is poorly understood, yet programs have been devised and interventions are made in business development... There is now a need for re-focusing research away from the emphasis on picking successful entrepreneurs or picking winners, to identifying key issues in the learning and development processes of entrepreneurship. (pp. 21-22)

2.3 Organizational Growth Theory

Until recently, it was believed that organizations follow a typical growth path to maturity. Lippitt and Schmidt (1967) initiated this belief when they published their paper in the *Harvard Business Review*. They theorized that organizations, similar to people and plants, follow a typical life cycle. They move through stages of birth, youth, and maturity. At each stage, they face a predictable series of organizational crises.

In the following forty years, the research literature presented numerous organizational life-cycle models (Dodge & Robbins, 1992; Masurel & van Montfort, 2006; Teeter & Whelan-Berry, 2008; Zinger, Lebrasseur, Robichaud, & Riverin, 2007). Although these various models differed in the number and name of cycles (stages), researchers believed that all of them had numerous commonalities. Dodge, Fullerton, and Robbins (1994) found that all models suggested that organizations follow a predictable path, characterized by distinct stages of development. These stages were “(1) sequential, (2) a hierarchical progression that is not normally reversed, and (3) involve changes to a broad range of organizational structures and activities” (p. 123).

Chan, Bhargava, and Street (2006), as well as Rutherford, Buller, and McMullen (2003) also found similar characteristics in all of the organizational life-cycle models. The first was that regardless of the number of stages, each stage was determined by factors of age, growth rate, or relative size of the organization. The other similarity was that all of the models described unique problems or issues associated with each stage. Stubbart and Smalley (1999) found that successful organizations were able to confront these problems and issues and solve them. If they did not, then the likelihood of organizational success was limited. In order for the organization to move on to the next stage, it had to successfully solve that problem or issue. The typical problems found in the various stages included: “strategic positioning, sales/marketing, product development, production, accounting/financial management, external relations, people/human resource management, and regulation” (Rutherford, Buller, & McMullen, 2004, p. 321).

Other research found that when the organization is relatively small, it typically progresses through four stages: start-up, growth, maturity, and decline (Dodge & Robbins, 1992; Masurel & van Montfort, 2006; Teeter & Whelan-Berry, 2008). The following are descriptions of the four stages:

Stage 1: Start-up

- At the beginning, the entrepreneur is concerned with converting an idea into a reality, getting the organization going and building financial support (Dodge & Robbins, 1992; Teeter & Whelan-Berry, 2008). The focus is on turning the creative idea or venture into a business entity. During this stage, there is a

period of creative growth. The business plan must be developed into an actual market identity.

- The strategic concerns are providing selected products or services to selected markets and emphasizing selected strategies to compete (Dodge & Robbins, 1992). In this stage, entrepreneurs must survive the challenges of a new organization. These challenges include: business planning and marketing, obtaining customers, delivery services, and maintaining cash flow (Teeter & Whalen-Berry, 2008; Masurel & van Montfort, 2006).
- In the Start-up stage, the organizational structure is fairly basic, with the entrepreneur involved in every aspect of the operation (Masurel & van Montfort, 2006). The entrepreneur has significant and direct control of the success or failure of the organization and must adapt to meet the demands of an evolving organization (Teeter & Whalen-Berry, 2008).
- Success is defined as gaining customer acceptance and the ability to produce a product within the parameters of the start-up capital (Dodge & Robbins, 1992).
- Each of the stages end with a management crisis. In this stage, the crisis is one of leadership. Due to the fact that an evolving organization becomes more and more complex, a definite leader or leadership team must emerge (Teeter & Whalen-Berry, 2008).

Stage 2: Growth

- In the Growth stage, the organization has a sufficient number of customers and is able to meet their needs. It establishes itself through strong positive growth with

a product/service or marketing approach (Dodge & Robbins, 1992). The key problem now becomes the right balance between revenue and expenses (Masurel & van Montfort, 2006). This stage is characterized by rapid growth facilitated by either the entrepreneur or leadership team giving and delegation direction (Teeter & Whalen-Berry, 2008).

- During this stage, the entrepreneur is faced with a decision. One choice is to be satisfied with the present growth/size and decide to intentionally minimize any further growth (disengagement). The other choice is to push for continual growth (Teeter & Whalen-Berry, 2008).
- In this stage, the organizational structure begins to change. Instead of the entrepreneur acting as the front-line supervisor, this role is taken over by a “second-in-command” (Masurel & van Montfort, 2006).
- Success in this stage is defined as high cohesion, personal commitment, and the entrepreneur’s vision (Teeter & Whalen-Berry, 2008).
- In the Growth stage, the management crisis is one of autonomy. The entrepreneur is reluctant to give up authority and begins to sense a loss of direct control over the operation. Other challenges include: formalizing the organizational structure, delegating key responsibilities, and dealing with competition (Teeter & Whalen-Berry, 2008). Dodge and Robbins (1992) pointed out that, in this stage, organizations must stabilize production and product reliability, match demand increases, maintain cash flow, and formalize the organizational structure.

Stage 3: Maturity

- In the Maturity stage, the organization's growth begins to slow and it embraces more formalized procedures and controls. It develops into a bureaucratic and collaborative organization. If sales growth slows, competition increases, or the market becomes saturated, the focus must shift to plans and procedures that promote efficiency (Teeter & Whalen-Berry, 2008).
- During this stage, the challenges to the entrepreneur include: maintaining customer contacts, continuing quality performance, formalizing rules and procedures to stabilize the organization, and implementing cost and financial controls (Teeter & Whalen-Berry, 2008).
- At this stage, the entrepreneur has a critical decision to make: expand or keep the organization stable, while maintaining and enhancing the current level of profitability (Dodge & Robbins, 1992).
- The entrepreneur has a dual responsibility of keeping the core business successful, while concurrently seeking out the best growth opportunities (Dodge & Robbins, 1992).
- Delegation is a crucial issue. Transferring responsibility and controls from the entrepreneurs to others is vital if managerial effectiveness is to be maintained (Masurel & van Montfort, 2006).

Stage 4: Decline

- By this stage, the entrepreneur and many of the long-term staff may be “burned-out,” and this may lead to the decline. Fewer ideas are being generated, and change becomes increasingly difficult to implement. Unless momentum is regained, the organization will stagnate (Teeter & Whalen-Berry, 2008).
- If the basis for continued growth has not been well established in earlier stages, problems regaining momentum may be encountered. Many times, the entrepreneur will replicate the behavior that led to initial success in order to restart momentum (Dodge & Robbins, 1992).

In summary, life-cycle model theories have three main propositions about the nature of organizational growth. First, organizations have distinctly different stages of development that can be identified. Second, the order in which organizations undergo these recognizable stages is pre-determined and thus predictable. Third, organizations undergo the same sequence of developmental changes as they grow, just like all organisms.

Churchill and Lewis (1983) found that the traditional organizational life-cycle models were inappropriate for entrepreneurial organizations because they: (a) state that organizations must grow and pass through all stages of development or die in the attempt (b) fail to capture the important stages in the organization’s origin and growth, and (c) emphasize the importance of sales and employment.

Recently, life-cycle models have been challenged as being appropriate ways of describing organizational growth (Phelps, Adams, & Bessant, 2007). There has been

heavy criticism of the life-cycle models and the “organic” metaphor of these theories specifically, criticism of the thought that organizational growth is linear, sequential, deterministic, and invariant (Rutherford, Buller, & McMullen, 2003).

Some of this recent research has found that organizations do not have even approximately predictable life cycles (Phelps et al., 2007). These studies stated that organizations tend to follow a “life course” instead. Organizational growth follows more of an evolutionary process where the pace, pattern and direction of change are driven by external/internal interaction (Aldrich, 1999). In their study of various models, Hanks, Watson, Jansen, and Chandler (1993) found that, while there is a reasonably consistent pattern of organization growth as organizations move from start-up through phases of expansion to maturity and subsequent diversification or decline, the number and nature of the stages varies extensively.

Levie and Hay (1998) pointed out that the life-cycle models have little or no empirical support when tested on large samples. Additionally, the unidirectional, linear growth aspect of these models is unsuitable due to the very nature of constant expansion and contraction of organizational growth over time (Vyakarnam, Stockley, & Kershaw, 2000). Finally, little empirical support has been found to support the proposition that stages occur sequentially and that all organizations follow that sequence. For example, Rutherford et al. (2003) found that stages do not appear to be correlated with the chronological age of the organization and that organizations tend to have reoccurring episodes of revisiting previous stages.

In summary, there have been multiple studies showing that organizations often fail to exhibit the common life-cycle progression from birth to decline. Phelps et al. (2007)

stated that the lack of consistent models and empirical evidence are indications that organizations do not grow equally at a regular pace, nor do they share exactly the same problems at the same stages of development. What has been supported is the idea that, over time, “change along important structural and contextual dimensions is necessary and, as these changes occur, important problems must be addressed and resolved in order to survive” (Phelps et al., 2007, p. 6). Levie and Hay (1998) concluded that organizations evolve through their own unique series of stable and unstable states related to managerial problems.

Current thinking appears to have moved away from the view of a fixed linear sequence of growth stages to a view of an iterative growth process. This growth process is a response to predictable managerial challenges or problems. It is also related to the management of key transition points, where crises or issues can occur at different points and can recur throughout the life of the organization. Survival and growth in dynamic, competitive environments brings a range of entrepreneurial challenges. As organizations increase in size and complexity, entrepreneurs face a number of problems that require more sophisticated solutions.

Entrepreneurs must have the ability to change the nature of their role (Shim, Eastlick, & Lotz, 2000). Studies have shown that success is determined by entrepreneurs addressing the problems at various phases, or at critical junctions, of their organization’s evolution. These findings are refinements of the theories postulated by Greiner (1972) and Churchill and Lewis (1983).

Applying these findings to the life-cycle theories, entrepreneurs must help their organizations undergo characteristic transformation in order to move along an

evolutionary path. This transformation enables entrepreneurs to face new tasks or problems that growth elicits (Kazanjian & Drazin, 1990). This transformation is driven by the entrepreneurs' acquisition of knowledge.

Similarly, Scott and Bruce (1987) identified a series of key issues that entrepreneurs must address in the quest for organizational growth. These include: the role of top management, management style, organizational structure, product and market research, systems and controls, major sources of finance, cash generation, major investments, and product-market issues.

In conclusion, recent research has shown that an organization's growth is not a predictable sequence of stages characterized by increasing size and age; nor is it a predictable sequence of problems to be overcome. Instead, it is more complex and unique to each firm. The ability of the organization to successfully move from one organizational growth phase to another is dependent on its ability to obtain and utilize new knowledge to resolve challenges presented by various "tipping points" (Phelps, et al., 2007). These tipping points are critical challenges encountered in the various phases of the organization's evolution. They must be successfully addressed or the organization cannot move on to the next phase.

Even though specific tipping points may differ from organization to organization, and occur in varying order, they fall into common categories. Phelps et al. (2007) developed six categories of tipping points: People Management, Strategic Orientation, Formalization of Systems, New Market Entry, Obtaining Finance, and Operational Improvement (see Table 1 for an explanation of the six categories).

Table 1: Six Categories of Tipping Points

Category	Explanation
People Management	The primary challenges are developing skills that enable the entrepreneur to effectively delegate, communicate, and build team work that allows the organization to go from owner micro-management to larger-scale organizational structure.
Strategic Orientation	Growing organizations often face the necessity to move away from an opportunistic, reactive strategy that pursues a narrow, focused, or niche endeavor to a strategy that is more broadly focused on pursuing varying growth opportunities.
Formalization of Systems	Systems must be formalized in response to existing systems failing adequately to cope with changed environmental conditions. Entrepreneurs discover that as their organization grows, systems have to become more elaborate and detailed in nature.
New Market Entry	The challenges require entrepreneurs to adapt or replicate the existing business model to new customer markets or developing new products/services for current customers.
Obtaining Finance	Start-up organizations must obtain financing. However, even after organizations start to grow, the need to obtain capital still remains. The challenge is the need to possibly find a new source of funding. At start-up, most entrepreneurs use their own funds to start their organization. However, after the initial start-up, their funds are typically expended and thus they have to look for external sources of funding.
Operational Improvement	These challenges involve identifying those operational processes that must be improved to increase efficiency and effectiveness. After the initial start-up and increase of growth, entrepreneurs face the decision that if they are to increase revenue, they have to improve processes that increase production or decrease cost.

2.4 Human Performance Technology

From its roots in “systems theory and behavioral psychology” (Rosenburg, Coscarelli, & Hutchinson, 1999), the field of human performance technology (HPT) has evolved and expanded notably during the last fifty years in terms of its interventions and the expertise of its practitioners (Gayeski, 1998). As Rosenburg, Coscarelli, and Hutchinson (1999) noted, the composition of HPT is made up of methods and concepts from a variety of disciplines, such as: “(a) systems, (b) learning psychology, (c) instructional design, (d) analytical systems, (e) cognitive engineering, (f) information technology, (g) ergonomics and human factors, (h) psychometrics, (i) feedback systems, (j) organizational development, and (k) intervention systems” (pp. 25-35).

One major reason for the growing relevance of HPT is that human capital, rather than physical or financial capital, has become a central asset for the survival of organizations in a fast changing environment. According to researched published by the Brookings Institute, only 15% of the value of today’s organizations can be traced to tangible assets; the remaining 85% is intangible, consisting of such things as knowledge and brand (Kaplan & Norton, 2004). Human capital is now the dominant asset in today’s businesses. Unfortunately, many business owners still use financial management tools that treat human capital as an expense instead of an asset (Frangos, 2007).

Over the last fifty years, there have been numerous attempts to define HPT. Rothwell (1996) described it as “a systematic process that links business strategy and goals, and worker’s abilities to achieve them with a variety of interventions, including environment redesign, learning and training, and incentive system reconfiguration” (p. 5). The primary outcome of HPT is individual and organizational performance improvement.

Through causal analysis of performance problems or business opportunities, underlying causes are identified. Effective solutions can then be generated for any identified performance challenge.

The HPT field has been developed due, in large part, to the dedication of the International Society for Performance Improvement (ISPI). ISPI defined HPT as “a systematic approach to improving productivity and competence. It uses a set of methods and procedures, and a strategy for solving problems related to the performance of people” (ISPI, 2005). More specifically, it is a process of selection, analysis, design, development, implementation, and evaluation of programs to most cost-effectively influence human behavior and accomplishment. It is a systematic combination of three fundamental processes: performance analysis, cause analysis, and intervention selection, and it can be applied to individuals, small groups, and large organizations.

To give some semblance of clarity to the vast field of HPT, ISPI developed its own model. The model helps HPT practitioners decide how best to improve performance, as well as enhance already high-level performance. It provides a process to analyze performance problems and select the appropriate intervention (Nguyen & Woll, 2006).

Gerson (2006) provided an explanation of this model. The process begins with an organizational assessment or analysis to reveal the differences between the present and the desired levels of individual and organizational performance so that a “performance gap” can be identified. A cause analysis then determines what impact the work environment (information, resources, and incentives) and the people (motives, individual capacity, and skills) have on performance, and thus on any gaps in performance.

Once the performance gap and the causes have been determined, appropriate interventions are designed and developed. These may include training, career development, individual feedback, incentives, rewards, team building, culture change, coaching, recruiting, succession planning, job aids, electronic resources, and facilities design (Van Tiem, Moseley, & Dessinger, 2004), as well as others. The interventions are then implemented, and the change process is managed.

Evaluation is done after each phase of the process. Initially, each process step is evaluated, i.e., performance analysis, cause analysis, intervention design, and finally, the intervention and change phases. The evaluation also focuses on the immediate response of employees and their ability and willingness to perform the desired behaviors. The final evaluations are centered on improvement of business outcomes, and determining return of investment for the intervention.

The goal of any HPT intervention is that individuals have or obtain the knowledge, skills, motivation, and environmental supports to do their job effectively and efficiently (Fuller & Farrington, 1999). There are many interventions utilized to improve performance; however, for the purpose of this study, learning is the selected intervention.

Earlier in the literature review, it was pointed out that entrepreneurs learn best through experience (Pittaway & Cope, 2007; Rae, 2000; Rae & Carswell, 2000), and by doing and reflecting (Deakins & Freel, 1998; Cope & Watts, 2000). Mumford (1995) defined learning as an emergent, sense-making process in which people develop the ability to act differently, through knowing, doing, and understanding why. Since entrepreneurs learn best through experience and reflection, it is important to understand the concept of experiential, vicarious, and transformative learning.

Experiential learning occurs when entrepreneurs learn from past experience and accumulate newly formed knowledge in memory (Kolb, 1984). It consists of two elements: prior knowledge and the processes employed to acquire, assimilate, and organize new knowledge. It is appropriate to: (a) develop highly complex cognitive skills, such as decision-making, evaluating, and synthesizing; (b) positively impact the learners' values, beliefs, or attitudes; (c) induce understanding; (d) sharpen interpersonal communication skills; and (e) unlearn negative attitudes or behaviors (Kolb, 1984; Thiagarajan, 1980).

Entrepreneurs not only learn through their own experiences, but also by observing others' behaviors and actions and the consequences from those behaviors and actions (Holcomb, Ireland, Holmes, & Hitt, 2009). In fact, much of the knowledge gained from learning occurs vicariously (Kim & Miner, 2007), as people learn by modeling the behavior of others. Interestingly, Kim & Miner (2007) also found learning can occur from failures or near-failures of others.

Finally, transformative learning is directed at personal change (Mezirow, 1991). Transformative learning is central to one's ability or motivation to learn about the organization or the job. Learning takes place through a process Mezirow (1981) originally identified as "perspective transformation." Mezirow (1991) maintained that adults reconstitute the "meaning perspective" by which they understand themselves and their world. This enables them to obtain further insight into their own values and belief systems, as well as achieve greater self-assurance and self-esteem.

Therefore, learners need to cultivate their ability to identify and critique the assumptions behind their actions in order to transform their thinking and future behavior

and actions (i.e., improving their performance). The introspection process just described is often referred to as critical reflective learning (Schon, 1987; Brookfield, 1987). It is essential to adaptive, self-directed, and experiential learning. The notion of critical reflective learning can impact the way a Human Resource professional designs learning and performance improvement interventions, as well as encourage the continuous assumptions, values, and beliefs testing essential to organizational development (Preskill and Torres, 1999).

2.5 Research Methodology

Earlier in this chapter, the fact that research on the human component of entrepreneurship is still in its early stages was highlighted. The research on how entrepreneurs learn and develop as their organizations grow and mature is practically nonexistent (Pittaway & Cope, 2007; Rae & Carswell, 2000). Theories on what and how entrepreneurs learn are still being developed and tested. Because of the research void on this essential aspect of entrepreneurship, I wanted to explore the learning and development challenges experienced by entrepreneurs in the various phases of organizational growth.

The challenge was that there is little existing research on the topic of entrepreneurial learning to guide my focus. Additionally, I am not an entrepreneur myself and thus do not have any personal insights into this phenomenon. Therefore, I needed to use a methodology that is geared toward exploring uncharted phenomena. Further, I needed to use a methodology that gathers information in detail versus on existing variables in order

to compare/contrast with existing theories. It is because of these reasons that I chose a qualitative methodology for this study.

Until the mid-1990s, entrepreneurship research remained a “mono-method” field that relied on mailed surveys and other questionnaire-based approaches (Cope, 2005). Although descriptive research has been growing for the past decade and a half in the realm of entrepreneurship, a comparison between the number of traditional, quantifiably-based studies and those of a purely descriptive nature shows that research within the qualitative paradigm is still emerging (Chell & Allman, 2001). In fact, a study of entrepreneurship research in three of the top management journals during 1996-2004 showed that 25 out of the 29 articles involved quantitative methodologies (Shook, Ketchen, Cocyota, & Crockett, 2003). In a more recent study, it was found that during 2000-2006, 61% of the entrepreneurship research utilized a quantitative methodology (Dean, Shook, & Payne, 2007). So, even though the number of research studies employing qualitative methodologies is rising, it still lags behind quantitative studies.

Quantitative research is useful in understanding trends or relationships among variables (Creswell, 2005). Because theories on entrepreneurial learning are still emerging, there are no established variables of what, how, and why entrepreneurs learn. Therefore, it would have been difficult for me to develop a survey or questionnaire (typical data collection methods in quantitative research), in which I ask/measure responses from participants and compare/contrast with current research. Quantitative research is also more helpful in measuring facts or performing statistical analysis on the data (Neuman, 2003). Since my study was exploratory in nature, a qualitative approach was a more appropriate method.

Qualitative research is more appropriate when the researcher does not have specific variables to explore, but rather is seeking to explore why or how something occurs (Creswell, 2005). The focus of my study was to explore what entrepreneurs learn in the various phases of organizational growth, how they recognize the need to learn, and what learning tools they utilized. Qualitative methodology is also helpful to describe and answer questions about particular events or contexts, and perspectives of a participant group toward events, beliefs, or practices (Leedy & Ormrod, 2005). For this reason, I utilized a purposeful sample of entrepreneurs who had experienced the various phases of organizational growth.

Additionally, I needed to choose a research methodology that employed data collection methods that gather in-depth information on entrepreneurial learning. One of the most common data collection methods in qualitative research is interviewing (Denzin & Lincoln, 2005; Fontana & Frey, 1994; Merriam, 1998; Stake, 1995; Yin, 2003). Interviews allow the researcher to obtain detailed information on the topic of study by having participants answer direct questions and then elaborate upon their responses.

Finally, qualitative methodologies have also generated rich descriptions of learning in specific situations (Morgan, 1984). Since this study explored “learning” in the context of entrepreneurship and organizational growth, a qualitative framework was beneficial.

2.5.1 Descriptive ethnography.

Descriptive ethnography research seeks “to understand a particular phenomenon within a certain population by gathering information from that population mostly through interviews, observation, and collection of artifacts” (Brewer, 2000, p. 11). To better

understand the phenomenon, researchers must explore the population's actions and experiences as it relates to the phenomenon (Brewer, 2000). Descriptive ethnography dictates that we must first discover what people actually do and the reasons they give for doing it before we can interpret their actions from our own personal experiences or from professional and academic disciplines (LeCompte & Schensul, 1999).

Since entrepreneurial learning research is in its infancy, theories and models are still emerging. Therefore, I had to begin at a rudimentary level in researching this phenomenon. I needed to choose participants who have direct experience in facing learning challenges in growing organizations. By interviewing them, I gained insights into how they faced and overcame these challenges. From these narratives, I started to identify the what/how/why of entrepreneurial learning. Because this was my goal in this study, descriptive ethnography was the preferred methodology. This type of ethnography focuses on descriptions of cultures and then through analysis discovers patterns, categories, and themes (Holloway & Wheeler, 1996). From these patterns and themes, theories can be developed or refined. In my study, I hoped to identify patterns, categories, and themes on what knowledge/skills entrepreneurs need to learn, how they learn them, and how they recognize the need to learn them. From these findings, I hope to add to the emerging literature on entrepreneurial learning.

2.5.2 Data analysis.

While quantitative analyses use procedures to determine statistical significance of the data, qualitative analyses rely on verification procedures to assure data credibility and goodness (Arminio & Hultgren, 2002; Creswell, 1998; Lincoln & Guba, 1985; Patton,

2002). Qualitative researchers are concerned if they have described and interpreted the participants' accounts of their experiences as accurately as possible.

Arminio and Hultgren (2002) suggested that the term “rigor” is an empirical term and should be replaced by the term “goodness” in qualitative research. They stated, “meeting the criteria of goodness requires meaning making of a phenomenon for the purposes of practical action” (p. 450). They suggested six elements that would measure goodness in a qualitative study (see Table 2).

Table 2: Six Measures of Goodness

1.	The study is based on a specific theoretical foundation, such as descriptive ethnography
2.	The methodology outlines a specific plan of action
3.	The data collection techniques are clearly identified
4.	The researcher reflects and defines his voice and experience with regard to the study
5.	The interpretation process results in some new insight
6.	The research provides clear recommendations for professional practice.

2.5.3 Trustworthiness.

Arminio and Hultgren (2002) also suggested the measures of “reliability” and “validity” be replaced by “trustworthiness” in qualitative research. Trustworthiness provides evidence the work is credible and representative of the population studied. “The basic issue in relation to trustworthiness is simple: How can an inquirer persuade his or her audience...that the findings of an inquiry are worth paying attention to, worth taking account” (Lincoln & Guba, 1985, p. 290)? Creswell (1998) outlined several verification procedures to enhance trustworthiness, i.e., prolonged engagement in the field,

triangulation, panel review or debriefing, negative case analysis, clarifying researcher bias, member checks, a thick rich narrative description, and artifact analysis. He suggested that qualitative researchers should engage in at least two, preferably more, procedures in a given study (Creswell, 1998).

I employed member checks, artifact analysis, and panel review as means of bolstering trustworthiness in this study. Member checks involved the participants' review of the material to ensure accuracy. Once participants agreed that I had summarized their experiences accurately, I gained the confidence to assure readers that my data are true representations of their accounts and not information that I made up to reach predetermined conclusions.

Artifacts were gathered on the organizations. Data included: number of years in operation, sales/revenue, and products/services. This information allowed me to confirm the historical information given by participants.

To accomplish the panel review, entrepreneurial consultants (Drs. Longenecker and Ariss of the University of Toledo) reviewed my summary of participants' answers to each of the five research questions. They also reviewed the categories/themes that I developed. As in member checking, panel review allowed an objective review of the process implemented so that unintentional, as well as intentional bias was limited. Once again, readers can have the confidence that the results and finding are an accurate representation of the collected data.

2.5.4 Background of panel.

Dr. Clint Longenecker: For the past 25 years, Dr. Longenecker has been a leading authority on the topics of leadership, organizational behavior, and creating high performance organizations. He has consulted with hundreds of entrepreneurs and small business owners as they started and built their organizations. In 2006, he was inducted into the Ernst & Young's Entrepreneurial and Business Excellence Hall of Fame, and has since sat on the board of this program. In the past 25 years, Dr. Longenecker has conducted numerous entrepreneurial, qualitative research studies and has authored over 30 articles dealing with entrepreneurship.

Dr. Sonny Ariss: For the past 20 years, Dr. Ariss has been a recognized expert on strategic planning, entrepreneurship, and business management. He has consulted with over 100 entrepreneurs and has authored more than 50 articles on entrepreneurship. Additionally, Dr. Ariss is a fellow of the Center for Technological Entrepreneurship and Innovation. He has also acted as the Director of Small Business and Entrepreneurship Institute at the University of Toledo. Finally, he was the 1993 and 1994 award winner of the Small Business Administration Best Small Business Case of the year.

2.5.5 Data collection procedures.

The use of interviews and observations are commonplace in qualitative research (Denzin & Lincoln, 2005; Fontana & Frey, 1994; Merriam, 1998; Stake, 1995; Yin, 2003). By utilizing the interviewing technique as a means of data collection, the researcher aims to find ways participants understand and account for their day-to-day situations (Maggs-Rapport, 2000).

The interview is a conversational interaction between the researcher and participants. During interviews, the researcher becomes acquainted with participants and accounts of their experiences, while probing for detailed descriptions of those experiences (Kvale, 1996). Through the interview, the researcher allows participants to recollect their experiences, describe them, and provide meaning to them (Restine, 1999).

The interviews conducted in this study were semi-structured, face-to-face interviews. In the semi-structured interview, the researcher asks predefined questions but also leaves more freedom for the interviewees to talk, by working “off script.” The experiences and insights of the participants are discussed through the interview, and the researcher tries to understand them so that he can describe their accounts as accurately and thoroughly as possible to the readers (Kvale, 1996; Rubin & Rubin, 1995). Probing questions will be used to solicit elaboration or clarification of an answer. Also, Fontana and Frey (1994) emphasized the observation and notation of body language to help verify the validity of the information given during the interview.

Chapter 3

Research Design & Methodology

In this study, entrepreneurs were asked a series of specific questions dealing with their learning and development through the various organizational growth phases. The research questions were:

1. What are the most significant learning and development challenges entrepreneurs experience in each of the various phases of organizational growth (start-up, growth, maturity, and decline)?
2. What specific knowledge/skills are most important to entrepreneurs' success in each of the various phases?
3. What are the most valuable learning tools for entrepreneurs? Who/What helped?
4. How do entrepreneurs recognize the need for learning?
5. What advice can entrepreneurs offer fellow entrepreneurs about what and how to learn during the various phases?

3.1 Descriptive Ethnography

In this study, I explored the entrepreneurial learning process. Specific learning challenges faced by entrepreneurs were identified, as well as strategies used to successfully overcome them. However, since these experiences had already occurred in the past, it was not possible to observe this phenomenon in real-time. Additionally, in

order to satisfy the time requirement for this dissertation, it was also not feasible to conduct a longitudinal study and observe the learning processes as they happen. Therefore, I had to rely on verbal accounts from people who had experienced the phenomenon of entrepreneurial learning. From these narratives, I then attempted to describe the “what,” “how,” and “why” entrepreneurs learn. These narrative accounts, along with the interpretation of the researcher, are vital aspects to understanding the entrepreneurial experience. To accomplish this, the methodology must allow for generating information-rich data that can be analyzed for themes and concepts. Additionally, the methodology must give me an opportunity to interact with entrepreneurs in their natural setting to aid with collecting and describing the data.

Descriptive ethnography best aligned with the needs of the research project because the focus is on developing a thorough understanding of the experiences of a specific population (Gehart & Lyle, 2001). Rubin & Rubin (1995) emphasized this focus:

What is important to the researcher is how participants understand their world and how they create and share meaning about their lives. It is not about categorizing and classifying, but figuring out what events mean, how people adapt, and how they view what has happened to them and around them. (p. 31)

Even though the number of studies on entrepreneurial learning has increased over the past two decades, there is no consensus on general theories of how entrepreneurs learn (Warren, 2004; Cope 2005; Pittaway & Cope, 2007). Descriptive ethnography is a valuable method to utilize when there are not many established theories in existence and the goal is to continue developing these

theories (Brewer, 2000). Since one of the major tenets of this methodology is “to suspend one’s theoretical presuppositions prior to engagement with the phenomena under investigation” (Schwandt, 1994, p.121), it was helpful to this novice researcher that there are few, if any, recognized theories on entrepreneurial learning that would prejudice me as I conducted this study.

In summary, since this study seeks to identify the learning challenges of entrepreneurs and how they deal with them, the descriptive ethnographic methodology is the best method in conducting this research study. I asked a series of questions in an interview format to find out the experiences of entrepreneurs as they conducted their business. These experiences were then compared and contrasted with the experiences of other entrepreneurs. Finally, the researcher interpreted meaning from these experiences in order to answer the five research questions.

3.2 Participant Selection

The participant pool consisted of nine entrepreneurs who had between seven and twenty-eight years entrepreneurial experience. An “entrepreneur” is defined as an individual who, independently or together with a partner or founding team, establishes and manages a business with the principal objective of profit and growth, demonstrates innovative behavior, and employs strategic management practices (Carland, Hoy, Boulton, & Carland, 1984). By selecting entrepreneurs who have had this range of entrepreneurial experience, I was able to interview those who had directed their

organizations through the various growth phases, and thus, were able to provide input on learning challenges in those phases.

Participants were selected utilizing “purposeful sampling.” This type of sampling occurs when the researcher selects participants because of their characteristics (Leedy & Ormund, 2005; Richards & Morse, 2007). The characteristics needed for this study were owning a business for the sake of innovation and growth, and sustained growth for at least five to seven years. Consequently, all participants were solicited from referrals of professional networks of Dr. Longenecker and Dr. Ariss, two of the researcher’s Dissertation Committee Advisors. Both advisors are Management Faculty in the College of Business at the University of Toledo and have been involved with local entrepreneurs. They have numerous professional contacts with entrepreneurs who fit the target criteria.

I targeted a final population size between seven and ten participants. This number provided a comparative sample to make inferences and varied points of view. It was understood that some of the identified entrepreneurs might not agree to participate due to a lack of interest, time, or other conflicts. It was also understood that some might initially agree to participate, but then quit during the data collection phase because of unexpected events.

Therefore, with the help of Drs. Longenecker and Ariss, I identified fourteen potential participants who met the qualifications of owning their own business and had at least five to seven years of sustained growth. All fourteen entrepreneurs were initially contacted by Dr. Longenecker, via phone, requesting participation. Twelve entrepreneurs agreed to participate. Dr. Longenecker informed them that I would contact them within one to two

business days to set up a meeting. Two entrepreneurs declined to participate due to other commitments.

I contacted the remaining twelve entrepreneurs, via phone, to set up a date for the first interview. I was able to speak with six entrepreneurs on the first attempt, and I left messages to return my call with the other six entrepreneurs. Three of the six entrepreneurs returned my call and set up interviews. During these conversations, I obtained participants' e-mail addresses. As a result, nine entrepreneurs participated in this study.

Two to three days before the interview, I e-mailed an introductory letter to the participant (see Appendix A). The letter described the focus of the research and the purpose of the interviews.

3.3 Data Collection

The data collected in this study was framed by one semi-structured, face-to-face interview and a follow-up phone interview. This provided for consistent investigation of particular topics with the participants and basic introductory questions. Participant interviews were conducted using a general interview guide approach (Patton, 2003). This approach involved developing an outline of questions prior to the interview. The guide allowed free conversation within a topic area, while ensuring all questions were adequately covered. Each participant was initially interviewed using the same interview guide (see Appendix B). The follow-up, phone interview allowed me the opportunity to validate and verify the information from the first interview. It also allowed me to ask additional questions to aid in focusing on central themes.

Interviews were audio taped and transcribed. I also took extensive notes during each interview. Interviews varied from 60 to 90 minutes in length. Informed consent and permission to audiotape were obtained from participants at the beginning of the interview (see Appendix C).

All face-to-face interviews were conducted at the participants' business location. Within two to three days after the interview, the audiotape was given to a trained court reporter to transcribe (see Appendix D for transcription protocol). Within one to two days after the interview, I typed my field notes from the interview. In preparation for the second interview, I typed a summary of the participant's answers to each of the questions and e-mailed it to the participant for review. The follow-up phone interview allowed the participant to respond to the summary and clarify any errors or misrepresentations. All participants agreed that their summary was an accurate representation of their responses to the questions. No participants offered any additional information. Since no new information was forthcoming, I decided that saturation had been reached. For a complete description of the data collection process, see Appendix E.

The final data consisted of tape recordings, typed transcripts of the tape recordings, factual information pertaining to the participants' organizations (years of operation, products/services, sales/revenue, organizational structure, etc.), and my field notes.

3.4 Data Analysis

During each interview, the conversation was tape-recorded. After each interview was completed, the responses were transcribed verbatim. Tapes were transcribed within three to five days of each interview. I contracted with a local company that provides

transcription services. Interviews were transcribed according to an agreed upon protocol (see Appendix D). Audiotapes were numbered to protect participants' identity.

While I was waiting for the interviews to be transcribed, I typed my field notes from that interview. Once each transcription was completed, I conducted a preliminary analysis. I read each transcript closely and made notes. I compared the field notes with the transcription. I coded data based on themes, identifying key words and phrases that described the experiences of the entrepreneurs. This preliminary analysis aided in developing summaries of the interviews that were sent to participants for validation.

A subsequent telephone interview was conducted in order to follow-up with previous findings and work toward a point of data saturation. This occurred when I was confident that further interviews would not produce any new material (Rubin & Rubin, 1995). By conducting multiple interviews with each participant, the validity of the data collection increases. This increase happens because the threat to the accuracy of their testimonies is diminished, since they have time to think more deeply about their own feelings, reactions, and beliefs; and because multiple sessions help develop rapport between participants and the researcher (Glesne, 1999).

Triangulation of the multiple data sources was built into data collection and analysis to achieve trustworthiness. Stake (1994) defined triangulation "as a process of using multiple perceptions to clarify meaning, verifying the repeatability of an observation or interpretations...triangulation serves also to clarify meaning by identifying different ways the phenomenon is being seen" (p. 241). To provide trustworthiness of the data in this study, I employed member checks, extant data analysis, and panel review.

Member checks involve the participants' review of the material to ensure accuracy. A summary of the first interview was sent to each of the participants. They were given the opportunity to respond to the summary, either through written or verbal form.

I gathered extant data on the participants' organizations. I utilized the Internet, as well as information gathered from the participants. This information included: number of years in operation, sales, and products or services.

Finally, a Panel Review was utilized. Drs. Longenecker and Ariss read the transcript summaries, asked questions, and further determined whether the meaning had been accurately captured. As mentioned in Chapter Two, they were chosen for the panel review because of their extensive work with entrepreneurial organizations.

3.5 Confidentiality

Every effort was made to protect the identity of participants. Pseudonyms were assigned to participants. Confidentiality was protected by carefully storing the audiotapes and notes in a secure, locked filing cabinet in my home office. Transcripts and other electronic material were saved and stored in media storage devices. These devices were also stowed in the same location as the audiotapes and notes.

3.6 Data Back-up

Before each tape was transcribed, a copy was made. Once the transcriptions were returned, the transcripts and the field notes were also copied. All back-up copies of tapes, transcripts and notes were stored in a locked filing cabinet in my home office.

3.7 Role of Researcher

In ethnography, the researcher plays an important role. For many traditional ethnographic studies, the researcher plays a participant-observer role. In these studies, researchers spend prolonged amounts of time in the field participating and observing participants in their natural setting. They live the lives of the participants with them.

In this study, I did not immerse myself in the lives of these entrepreneurs; nor am I an entrepreneur myself. My role in this study was that of a reporter. I gathered information from entrepreneurs and found meanings in their narrations. From these narrative accounts, I hope to add to the existing literature on entrepreneurial learning.

Interestingly, I worked for an entrepreneur in my first job out of college. For 8 years, I worked for him in various counseling and human resource capacities. I have seen firsthand the struggles entrepreneurs face as their organizations grow and mature. I was also present when he had to close his business after 13 years of operation.

Even though I am a novice as a researcher, I have over 15 years of experience in various interviewer roles. I have my Masters of Education in Counseling. A critical skill in counseling is the ability to ask questions and draw out information in a conversation. As a counselor, I had to create an environment where clients were comfortable in discussing deeply personal information with a complete stranger. Additionally, I had to utilize questioning skills that helped clients who had difficulty putting thoughts into words. These skills helped me significantly in this study. As in a counseling session, questioning and listening skills helped me enter into the world of entrepreneurial learning.

Chapter 4

Findings

4.1 Introduction

This chapter presents the supporting data for the findings generated in this study. Data generation and data analysis were performed to answer the five research questions related to entrepreneurial learning and development through the various phases of organizational growth:

1. What are the most significant learning and development challenges entrepreneurs experience in each of the various phases of organizational growth (start-up, growth, maturity, and decline)?
2. What specific knowledge/skills are most important to entrepreneurs' success in each of the various phases?
3. What are the most valuable learning tools for entrepreneurs? Who/What helped?
4. How do entrepreneurs recognize the need for learning?
5. What advice can entrepreneurs offer fellow entrepreneurs about what and how to learn during the various phases?

The chapter is divided into four sections. Section one reviews and summarizes the data generation process used to obtain the information to answer the five research questions.

Section two describes the theme production process used to narrow the data to sound categories for each of the research questions. Section three describes the participant demographics and summarizes individual characteristics that shaped their responses. Finally, section four contains the findings for the five research questions. For each research question, primary themes and sub-categories are listed, along with excerpts from the interviews to support the themes.

4.2 Data Generation

The data collected in this study were gathered from a face-to-face interview and a follow-up telephone conversation with each participant. The initial interview was conducted using a formal guide and took place in the office of the participant. Interview lengths ranged from 45 to 110 minutes.

At the beginning of the face-to-face interview, I verbally reviewed the purpose and the need for a follow-up interview. Next, the participants were given the Informed Consent form and asked to read and sign. The participants were asked for permission to audiotape the interview. All the participants agreed. Finally, I provided a brief description of the four organizational phases for the participants to read.

Once all of the preliminary steps were completed, I started asking the interview questions. All of the participants had no difficulty in describing their rationale and efforts in starting up their organization. In fact, most of the participants seemed to enjoy the opportunity to share their story with an attentive listener.

However, once the interview progressed to questions pertaining to the learning and development challenges in each of the various organizational growth phases, the

participants started to struggle. Every participant indicated that they were having difficulty in assigning a specific learning and development challenge to just one phase. All of them indicated that they faced similar learning challenges in several of the phases, but the learning challenge often manifested in different forms.

Every participant stated that he could easily recollect and define the time period in which their organization was in the Start-up phase. However, six of the nine participants were not sure if they were still in the Growth phase or had reached the Maturity phase. Several indicated that over the course of their organizations' existence, they had gone through cycles of growth, stability, and decline. Only one entrepreneur admitted that he had experienced a formal Decline phase. He had sold his previous business after owning and operating it for ten years.

Due to this uncertainty, participants were readily able to give information for the Start-up phase, but had difficulty with the other three phases. The participants had to repeatedly refer to the descriptions of the four organizational phases.

All interviews concluded with me asking the participants if they had any other information to share regarding the topic. Most participants felt that there was nothing left to share. At this point, I turned off the audiotape. Most participants then asked me personal questions regarding my schooling and family life. On two occasions, the conversation went back to the topic of entrepreneurial learning. On both occasions, I interrupted the participant and asked if the audiotape could be turned back on. Both participants agreed.

After each interview was transcribed, a summary was developed and sent to the participant via e-mail. In the e-mail, I asked to set up a follow-up phone interview to

discuss their reaction to the summary. All participants indicated that the summaries were an accurate representation of their responses to the questions. No participant offered any additional information. Participants were thanked for their participation and were informed that they would be contacted if further assistance was needed.

4.3 Theme Production

As data were being collected via semi-structured interviews, data analysis began. I followed the three-stage method (see Table 3) discussed by Miles and Huberman (1994). In this chapter, stages one and two are discussed in detail. Stage Three, Drawing and Verifying Conclusions, will be discussed in the next chapter.

Table 3: Three Stages of Data Analysis

Stage	Title	Description
Stage 1	Data Reduction	Since qualitative studies result in mass amounts of raw data, the first step is reducing the amount of data collected.
Stage 2	Data Display	In this stage, the reduced data are displayed in an organized, compressed way so that conclusions can be more easily drawn.
Stage 3	Drawing and Verifying Conclusions	In this stage, meanings begin to be affixed to results. Regularities, patterns, explanations, possible configurations, casual flows, and propositions are noted.

4.3.1 Stage One: Data Reduction.

In a qualitative study, a massive amount of raw data is collected as a result of interviews. Reducing the amount of data collected helps to sharpen, sort, focus, discard, and organize the data so conclusions can be drawn and verified (Miles & Huberman,

1994). In this study, audiotapes were transcribed after each interview. The transcriptions were then compared to the interview recording. Any errors were immediately corrected.

The transcripts were reviewed again while listening to the interview recording for a second time. This review allowed me to connect any field notes made during the actual interview with that section of the transcript.

I then read the transcript a third time. During this review, I selected information that corresponded to each of the five research questions. I utilized a different color highlighter for each of the five research questions. As each transcript was read, any information that corresponded to one of the five research questions was highlighted with the respective color of highlighter. Finally, for each participant, I transferred all of the information corresponding to the five questions to a summary sheet. Each summary listed the five research questions and then bullet-pointed all of the transcription excerpts that corresponded to that question. A summary was created for each participant. An example of this summary sheet is located in Appendix F. Summaries were sent to the participants for member checking. All nine participants stated that their summary was an accurate representation of their recollection of the interview and entrepreneurial experiences. In fact, only one participant, Lee, provided any suggestions for revisions. He wanted to add another learning tool for research question #3.

4.3.2 Guarding against losing vital data.

Whenever data are reduced, there is potential to discard data, intentionally or unintentionally, that are vital to accurately describing the participants' experiences. By not including this information, I run the risk of providing findings that are not an accurate

representation of participants' experiences. This in turn damages the trustworthiness of my study. It would be easy for bias and/or ignorance to lead a novice researcher like myself to pick and choose data that I think will lead to conclusions that are worthy of my time and effort. I had to develop and implement a process that minimized the potential impact of discarding vital data to maintain a trustworthy study.

In Chapter 3, I explained the triangulation plan for my study to safeguard against my bias and/or ignorance. I used member-checking and panel review as two methods to ensure a trustworthy study. These two methods also helped in limiting the loss of important data during the data reduction stage. Member checking allows participants to review that data I pulled out from their entire interview transcript. If I had discarded vital data, this would give them an opportunity to challenge me on my decisions and recommend that I add the data back in.

The next step in data reduction was to combine similar answers from all nine transcripts and discard redundant information. I developed summary sheets for each research question that listed answers from all participants (see Appendix G). I also developed a list of potential themes and grouped answers according to themes (see Appendix H). I sent both documents to Drs. Longenecker and Ariss.

By following this procedure, I allowed a third party, Drs. Longenecker and Ariss, to review my reduction process as well as my themes and supporting answers. They were able to verify if my process and decisions could be supported by the actual data. They were also able to provide feedback on the titles of the themes and the selection of answers for the themes. Their qualifications to be on the panel were discussed previously. Both have extensive experience in conducting entrepreneurial research utilizing qualitative

methodologies. Consequently, they have direct experience in reducing data and were able to objectively review my process.

By allowing participants and the panel to review the data at various points in the data reduction process, I can have more confidence that the data that I kept were truly an accurate representation of the entrepreneurs' experiences and that I minimized the loss of vital information as I reduced the huge amounts of data collected in this study.

4.3.3 Stage Two: Data Display.

In this stage, the reduced data are displayed in an organized, compressed way so that conclusions can be more easily drawn (Miles & Huberman, 1994). Once all of the follow-up interviews were completed and the participant summaries verified for accuracy, I made the decision that the saturation point had been reached. At this point, I created a document for each research question. At the top of the first page of the summary, the research question was listed. Then, answers to that question were listed for each participant. An example of this summary sheet is located in Appendix G.

In the next phase, I eliminated redundant information and combined similar information. Then, I printed out the final summary sheet for each question. From this summary, categories, or themes, were identified for each question. Question one had ten themes; question two had six; question three had five; question four had two; and question five had nine. The themes for each question, along with the participant summaries, were sent, via e-mail, to Drs. Longenecker and Ariss for panel review.

Both advisors read through the three documents and made notes. A week later, the three of us sat down for a discussion. During the meeting, the panel asked questions

regarding my process and the final set of data, and they offered suggestions. Both agreed that my themes and the supporting transcription excerpts made sense. Dr. Ariss suggested that I change the title of one of my themes from Business Development to Business Planning and Execution. Going into that meeting, I struggled with how to display the data for research question #4: “How do entrepreneurs recognize the need for learning?” After some discussion and brainstorming, two themes emerged: Intrinsic Motivated Factors and Extrinsic Motivated Factors. By the end of the meeting, both advisors agreed that I had accurately captured the correct meaning of the data.

4.4 Participant Demographics and Characteristics

The participants in this study (see Table 4) are founders of their organizations and have sustained growth for at least five years. This research sample included nine males ranging in age from 49 years old to 64 years old, with an average age of 56. Eight of the nine had college degrees; five had bachelor degrees; two had master’s degrees; and one had a doctoral degree. The number of years as an entrepreneur ranged from seven years to 28 years. The average length of time as an entrepreneur was nineteen years. The sample was made up of entrepreneurs from diverse business sectors. Fields of business included manufacturing, human resource consulting, finance, engineering consulting, specialty retail, and heavy construction.

Table 4: Participant Demographics

Name	Age	Highest Degree Obtained	Field of Business	Years as Entrepreneur
Craig	59	Bachelors	Manufacturing	22 yrs
Kim	57	MBA	Human Resources	17 yrs
Lee	64	Masters	Finance	7 yrs
Mike	59	High School	Manufacturing	23 yrs
Bruce	58	Bachelors	Human Resources	26 yrs
Bill	58	Bachelors	Specialty Retail	15 yrs
Gary	49	Bachelors	Manufacturing	15 yrs
Tim	50	PhD	Engineering Services	21 yrs
Skip	57	Bachelors	Heavy Construction	28 yrs

*Pseudonyms are used to provide anonymity to respondents.

The following section provides a detailed description of the participants' entrepreneurial experience.

4.4.1 Craig.

Craig is a 59-year-old male who started his manufacturing business in 1987.

Although he had helped friends start their organizations, this was his first attempt at starting his own. His story is one of modest beginnings:

Well, the organization was built out of a garage, like many people will say when they start something. (personal communication, August 28, 2009)

When asked why he decided to start his business, Craig responded,

Well there was a need. (personal communication, August 28, 2009)

An interesting thing about Craig is that he doesn't consider himself an entrepreneur.

When asked about being an entrepreneur, he responded,

I think that's a tough question. Thinking about it, probably not. I'm probably more of a business guy. I think some people are very gifted in that area and I don't know that I am. We've been doing this for almost 20 years. We still dream the dream and we still look at new things, but there are a lot of inventors out there that just have idea after idea after idea that they try to push to invent. But, maybe that's not the definition of entrepreneur either. (personal communication, August 28, 2009)

After reviewing the definition of an entrepreneur used for this study, “an individual who, independently or together with a partner or founding team, establishes and manages a business with the principal objective of profit and growth, demonstrates innovative behavior, and employs strategic management practices,” Craig did admit that he fit that description.

When asked to identify the phases of organizational growth that his organization had attained, he replied,

I think we've been through most of them. I don't know what I can say about the downturn phase because the economy situation that we've all hit now is hard for all of us to wrap our hands around. (personal communication, August 28, 2009)

Finally, in reviewing his interview, it became apparent that many of his answers revolved around product development and delivery. His product was an innovative concept and, therefore, little knowledge existed regarding it. Craig recalls,

Prior to us, the way it was done was very archaic. So, we certainly had a lot of development to do ourselves, to make sure that things would work. We had to create a repeatable process that we could take to the industry that they could run in production. (personal communication, August 28, 2009)

4.4.2 Kim.

Kim is a 57-year-old male who started his current human resource consulting firm in 2002. He had previously started a similar firm in 1992. Kim decided to start his own business once he realized that his future wasn't necessarily in his control:

A lot of people, especially in early 90s and again now that we are in the midst of a recession get displaced in corporate America. I was one of them. I remembered thinking that I'm not gonna let this happen to me again; I'll start my own business. (personal communication, September 1, 2009)

Kim brought with him years of experience in working for small and large organizations and leveraged that experience in running his own business. Kim commented,

I've worked in large corporations and I've worked in small companies and I recognize the benefit of both. I am probably a rare exception of one of those individuals that can be productive and successful in both environments. (personal communication, September 1, 2009)

Even though Kim thinks of himself as an entrepreneur, he did express that the term “entrepreneur” could be defined in many ways. He responded,

An entrepreneur is an ambiguous term. It means a lot of different things to a lot of different people. With me, in starting a business, I only wanna start a business that I can be a leader. I know that much about myself. I do not want to be in a business that I can't lead. (personal communication, September 1, 2009)

Further, he defines success in terms of profit. When asked how he would define a successful entrepreneur, he stated,

Well, for me, it's obvious...profitability. (personal communication, September 1, 2009)

Kim was the only participant who admitted that he had experienced a formal Decline phase. He decided to sell his first firm in early 2000. However, it wasn't necessarily due to poor sales or performance. He always knew that at some time, he would move on to other opportunities. He stated,

And as an entrepreneur, I've always had an exit strategy. Our exit strategy was to either go public or sell it and to sell to someone bigger, but just to stay where we were we knew that the world would pass us by. (personal communication, September 1, 2009)

4.4.3 Lee.

Lee is a 64-year-old male who started his financial organization in 2002. Previously he had 30 years of financial experience at several institutions. He realized that even though there are many financial institutions, he could capitalize on a particular niche, small business development:

When we started, we developed a niche. I think the interesting thing about our bank is we deal with small businesses. That's our niche. (personal communication, September 1, 2009)

Lee stated that he considers himself an entrepreneur. When asked to define a successful entrepreneur, he answered,

I think the successful entrepreneur is an individual who understands where their business is at currently, where they would like to take it and surround themselves with very good, I'm gonna say, consultants, or resources where they gain, not only current information, but information looking to the future, that stays current with their industry, that has the buy-in of their staff, that's well capitalized, has good solid cash – understands the cash flow and uses their consultants, their resources to their, to maximize their advantage and is well diversified in what they do. (personal communication, September 1, 2009)

An interesting aspect about Lee is that not only is he an entrepreneur, but his organization helps entrepreneurs as they seek financing:

So, as I look at the individual entrepreneur, I can feel the pain, because I've gone through it. (personal communication, September 1, 2009)

In running his organization, not only does he utilize his financial experience, but also his 25 years of service in the military. Lee commented on this experience,

I had the opportunity to spend 25 years in the naval reserve and I retired in 1993. I hold the rank of Captain. I've been a commanding officer of several units and I liken the notion of running a business as being a commanding officer. (personal communication, September 1, 2009)

When asked about the phases of organizational growth that his organization had attained, he replied,

We're still in the growth phase. We've not reached Maturity. Not to my satisfaction. Maturity to me is having positive cash flow, very strong earnings, paying dividends to our shareholders and feeling very comfortable with the process. We're not there yet. (personal communication, September 1, 2009)

4.4.4 Mike.

Mike is a 59-year-old male who started his manufacturing company in 1986. When asked why he decided to start his business, he replied,

I wanted to be able to do what I enjoy doing and have fun while I do it. It had nothing to do with making money. (personal communication, September 11, 2009)

He also alluded to his modest beginning:

So, obviously we started – there was just two or three of us in a 40 x 60 almost I wouldn't call it a garage, but you know, a rental unit, and no overhead. (personal communication, September 11, 2009)

Mike also considers himself an entrepreneur. When asked, he responded,

Yes, just having started a business and taking it to the level that we have, I mean, we've not hit a plateau where we just stopped growing and trying to improve. We just are constantly trying to push that envelope. (personal communication, September 11, 2009)

His definition of a successful entrepreneur is:

My own personal definition would be someone that starts a company that employs people and helps them realize their dreams and ambitions and we serve a purpose in the community, not only in philanthropic ways. (personal communication, September 11, 2009)

When thinking back over the past 22 years of his organization, he was able to identify times when his organization went back and forth through various organizational growth phases:

Yeah, we had a time period where we went through about 4 or 5 years where we got to the \$10 million mark and stayed there. In 2000, we went through a decline period. Then business started to grow again for several years. This year we have

a chance, the possibility exists that we could decline again. (personal communication, September 11, 2009)

4.4.5 Bruce.

Bruce is a 58-year-old male who has been involved in a number of entrepreneurial ventures for 28 years. His current organization deals with human resource consulting. He is the only participant who did not originally start the organization. His father had started the business in 1951. Bruce joined his father and then expanded the business by adding additional divisions:

Well, I can say I didn't really start this business; a part, a portion of it existed in the past. My father had started the business in 1951, and I didn't really have the interest in working for him and he didn't have any interest in hiring me. I was getting transferred to [another city] and I had no interest in going. One of my dad's divisions had just fired somebody for drinking, and so a guy at my dad's company called me to ask me if I could fill in for a week or two until they hired somebody new. So that was about thirty-five years ago September, and I just kind of fell in love with the business and then bought it from my father. (personal communication, September 16, 2009)

Bruce also considers himself an entrepreneur. He explained,

Yes. My definition of an entrepreneur is somebody who realizes that there's opportunity staring you in the face every day and all you have to do is open your eyes to take advantage of them. And those opportunities may be out of your

roundhouse. They may be a skill set that you don't have. But that doesn't scare you one bit. In fact, there is almost an excitement. (personal communication, September 16, 2009)

He went on to define a successful entrepreneur:

People who leave things that maybe weren't there before for other people to utilize. I think a lot of times people assume that a successful entrepreneur has something to do with money. Money is a motivator and a driver in all of our lives. It's a necessity to have, but the next level above that in being entrepreneurial is the fact that you like to create things. (personal communication, September 16, 2009)

When asked why he decided to be an entrepreneur, Bruce responded,

What I like about small business, and most people don't understand, is that you get to do anything that you ever wanted to do. (personal communication, September 16, 2009)

4.4.6 Gary.

Gary is a 49-year-old male who started his manufacturing company in 1994. When asked why he started his company, he replied,

I've been in the industry before, and saw an opportunity to do things just a little bit differently. I guess what we saw was a need from the customer level in terms of what they were looking for. (personal communication, September 10, 2009)

When asked how he built his business, he pondered,

How did we build our business? We built our business by going out and selling product. You know everything revolved around sales and marketing. (personal communication, September 10, 2009)

Gary also thinks of himself as an entrepreneur. When asked, he replied,

Yeah, I think so. I mean if you look at the definition, I would think so, yeah. I think of it as someone who takes risks and starts their own business. I think of an entrepreneur as somebody who has come up with something truly innovative and has used that idea to start something new, a new business. And so as I think back on it, probably didn't come up with anything truly innovative, you know, just a different approach to the marketplace. (personal communication, September 10, 2009)

His definition of a successful entrepreneur:

One that is successful in carrying out a business plan in terms of creating a mature business. So, start the business up, grow the business and get it to some sense of maturity. (personal communication, September 10, 2009)

In looking back over the last 15 years, Gary was able to identify the times when his company was in the Start-up, Growth, and Maturity phase:

Oh, without a doubt, yeah. Without a doubt, you know start-up I could absolutely see that. In terms of growth, if you look at our first 5, 6 years it was a period of exponential growth. Then, for the last 9 or 10 years it's been solid growth every year. But now it's been at a more normalized scale. (personal communication, September 10, 2009)

4.4.7 Bill.

Bill is a 58-year-old male who has owned and operated a specialty retail organization since 1994. He recalled what lead him to start his own business:

I left the family business because we were not able to cash flow the business year round due to seasonality of the business, and I went out and started my own separate business. I was one of these types of people that thought I could do it better than my family could do it. (personal communications, September 8, 2009)

He also considers himself an entrepreneur and defined success as,

You have to be able to recognize the need, you have to be able to see that niche and make sure that [it] is large enough and economically strong enough to support whatever your new business operation is that you're trying to go into. (personal communications, September 8, 2009)

Similar to Lee, Bill also has been in a capacity where he helped aspiring entrepreneurs. He spent some time working in a section of the Chamber of Commerce that helped to develop small businesses.

4.4.8 Skip.

Skip is a 57-year-old male who has owned and operated his heavy construction company for 28 years. He expressed his desire to be self-employed all of his life:

I always was more comfortable being self-employed. (personal communication, September 3, 2009)

Skip, at first, also did not consider himself as an entrepreneur:

Well, an entrepreneur is someone who always come up with different ideas and always thinking of new things. I am more of a self-employed person. I've been doing this for 28 years now and I will keep doing this until I retire. (personal communication, September 3, 2009)

Although, like Craig, he did agree that he met the study's definition of an entrepreneur.

As with many of the other participants, he believes that he is still in the growth phase, even after 28 years:

I am always growing. My company will always be in the growth part. If my business levels off, then I am looking at new products and customer markets. It is always about growth. (personal communication, September 3, 2009)

4.4.9 Tim.

Tim is a 50-year-old male who started his engineering consulting firm in 1988. His explanation for becoming an entrepreneur was one of confidence:

Nobody can do this as good as me, I guess I am a know-it-all. (personal communication, September 4, 2009)

He felt that he is still in the growth phase:

Now, I would say that I've gone through start-up and that I'm in growth even though it's been 20 years. I don't think we're anywhere near maturity yet. And decline will be beyond my lifetime. (personal communication, September 4, 2009)

However, he does admit that his organization has had periods of decline, but wouldn't necessarily label it as a formal phase of decline:

I told you the growth it looks like this and we've certainly had declines within that, but I wouldn't associate those declines to a business lifecycle – I would say – for me start-up and growth, that's all I've seen. (personal communication, September 4, 2009)

4.5 Results

This section contains the information from the nine participants pertaining to the five research questions. For each research question, primary themes are listed. Then, sub-categories and direct quotes from the interviews are given to support each theme. I followed the interview protocol by providing a brief description of the four organizational

phases to the participants. Every participant stated that they could easily recollect and define the time period in which their organization was in the Start-up phase. However, seven of the nine participants were not sure if they were still in the Growth phase or if they had reached the Maturity phase. Several indicated that over the course of their organizations' existence, they had gone through cycles of growth, maturity, and decline. Only one entrepreneur admitted that he had experienced a formal Decline phase. He had sold his previous business after owning and operating it for ten years.

4.5.1 Research Question #1: What are the most significant learning and development challenges entrepreneurs experience in each of the various phases of organizational growth (start-up, growth, maturity, and decline)?

For research question #1, my original intention was to identify learning challenges faced at each of the organizational growth phases (start-up, growth, maturity, and decline). However, the participants had difficulty in assigning most of the specific learning and development challenges to just one phase. All of them indicated that they faced several of the same learning challenges in various phases. The learning challenge might appear to be slightly different, based on the phase, but the overall challenge was nonetheless the same.

Therefore, representation of the data had to be changed. For research question #1, learning challenges across the phases are identified as primary themes. In exploring the data collected for research question #1, ten primary themes emerged (see Table 5). The primary themes are: Intra-personal Challenges, Financials, Business Planning and Execution, Managing People, Work Responsibilities and Delegation, Building

Infrastructure, Customer Connectivity, Product/Service Development, Managing Growth, and Diversification.

Table 5: Ten Primary Themes for Research Question #1

Ten Primary Themes	Craig	Kim	Lee	Gary	Bruce	Tim	Mike	Bill	Skip
Intra-personal Challenges (9 of 9)	X	X	X	X	X	X	X	X	X
Financials (8 of 9)		X	X	X	X	X	X	X	X
Business Planning and Execution (7 of 9)	X	X	X		X	X	X	X	
Managing People (7 of 9)	X	X	X	X		X	X		X
Work Responsibilities and Delegation (7 of 9)	X	X	X	X	X		X		X
Building Infra-structure (7 of 9)	X	X	X	X		X	X	X	
Customer Connectivity (6 of 9)	X	X	X	X		X	X		
Product/Service Development (6 of 9)	X	X	X	X		X	X		
Managing Growth (5 of 9)	X		X	X	X	X			
Diversification (5 of 9)	X		X			X	X		X

Primary theme #1: Entrepreneurs face intra-personal challenges that can help or hinder their success.

All nine participants identified intra-personal struggles as a learning and development challenge. As their organizations grew, various issues surfaced that had to be resolved.

These intra-personal struggles involve various stressors at different points in their organizations' growth, as well as leveraging confidence and effort.

Stressors at start-up.

Just like everyone else, entrepreneurs have to deal with stress caused by their situation. One major stressor for entrepreneurs is the possibility of consuming their entire savings, including that for retirement, to start their venture and then the venture failing. Most of the entrepreneurs in this study mentioned they used their own money to start their business venture. A big percentage of this money came from their retirement savings. This money was used as necessary capital to pay for the expenses of starting a business, such as material for product, office equipment, wages, marketing material, etc. Many of them wondered if they did not succeed, would they be able to save enough money for retirement. Therefore, during the early phases of organizational growth, stress is centered on the entrepreneur himself. Am I going to fail? Am I going to spend all of my savings and retirement money?

I had more at risk and less time to make up, a younger person who doesn't have any of that may not have any dependents or debts or whatever. (Kim, personal communication, September 1, 2009)

The stress associated with being an entrepreneur is different than the stress associated with being a corporate employee. When I first started the business my stress was all around, you know, not blowing my savings and not having cash to invest in the business. (Tim, personal communication, September 4, 2009)

Stressors after start-up.

Once the organization becomes more stable, the stress starts to center around external issues, such as taking care of his employees:

Then my concern two years in was having the money to pay my employees. (Tim, personal communication, September 4, 2009)

The challenge is keeping people working, keeping families, you know, employed... that's sort of painful. (Mike, personal communication, September 11, 2009)

Confidence.

During the early phases, as entrepreneurs gain confidence, they tend to start feeling more and more comfortable in making tough decisions:

As time goes on, you learn to be a little more proactive, and we're going to go get this. (Craig, personal communication, August 28, 2009)

However, once confidence builds, entrepreneurs must not let it affect their momentum:

When you start to grow and start to recognize some success, sometimes you can get a little comfortable and you can take the edge off a little bit. (Gary, personal communication, September 10, 2009)

Hard work and effort.

Entrepreneurs have to spend a lot of time and effort to build their organization. In most cases, they will not see an immediate return on their investment:

You have to have fortitude because when you start a business, there is no instant gratification. (Bill, personal communication, September 8, 2009)

You know, when I started my business I was not prepared...for the length of time it took to get ready to go to the market. (Kim, personal communication, September 1, 2009)

I had to understand that it's a series of getting knocked down. (Bruce, personal communication, September 16, 2009)

The thing I find is most people are afraid of banks because of the turn down. (Lee, personal communication, September 1, 2009)

You have to invest in the business to work the business and people aren't prepared to make those investments. Then people think oh I turn it on and I'm gonna have instant positive cash flow, I'm gonna have instant profitability, almost like getting a paycheck. It's not like getting a paycheck. (Skip, personal communication, September 3, 2009)

Primary theme #2: Entrepreneurs face numerous financial learning challenges as their organizations start and grow.

Eight of the nine participants discussed learning challenges that involved financial decision making. These challenges include understanding the cost of starting and running a business, obtaining financing to pay for these costs, and the need to manage cash flow.

The costs of starting and operating a business.

There are many costs that go into starting a business. Entrepreneurs don't often realize this until they put their business plan together and seek financing. Bill best describes this in his interview,

So, most of the business starters do not take the time to research and understand what all of the expenses are because they are more concerned about the product or service that they are about to provide than they are about the cost that it is to them to provide that service. When asked to expense out all of the different expenses, [they] left out some very key elements of the expenses and [when] asked about those things, "Oh, yeah, of course we have that, of course we have to pay for that." Well, each of those little expenses comes back to haunt you if you didn't include it in your budgeting to begin with. (personal communications, September 8, 2009)

Gary also commented about becoming aware of all these costs,

I had to find out all of the cost of doing business, understanding what our manufacturing costs were going to be, understanding what our overhead were gonna be and really managing to those numbers and focusing on them. (personal communication, September 10, 2009)

Funding Sources.

One of the first learning challenges is realizing that starting a business requires money and identifying sources for that financing. Several of the participants discussed this challenge:

So the initial problem usually is lack of funding at startup. If you're talking about a brand new entrepreneurial effort, it's usually lack of funding at startup. (Bill, personal communications, September 8, 2009)

If you think you're going to start without money, that's the hardest, setting yourself up for disaster. It's very difficult to start a business up with no money. (Kim, personal communication, September 1, 2009)

Getting financing for equipment... as we were growing and needed equipment, it was intimidating to borrow the first \$70,000. (Mike, personal communication, September 11, 2009)

Learning how to get financed is tough. You have to understand how a banker is willing to finance you. (Lee, personal communication, September 1, 2009)

Participants indicated that there are two primary sources of funding, personal and external. Some entrepreneurs are fortunate enough to have personal savings that can be used to pay for the costs. Kim was one of the fortunate few:

I had money set aside. (personal communication, September 1, 2009)

However, the majority of entrepreneurs have to seek financing from external sources. Skip commented on his need to seek financing from others,

I didn't have a choice; I didn't have the assets so I had to. (personal communication, September 3, 2009)

Positive Cash Flow.

The last financial learning challenge is maintaining a positive cash flow. In order for their organizations to survive, entrepreneurs need to make sure that more cash is “coming in than going out.” Several of the participants commented on the importance of overcoming this challenge:

There's a lot of little things I had to learn along the way in terms of cash flow and doing the books and paying the taxes and understanding all those little business aspects. (Gary, personal communication, September 10, 2009)

You've got to be bottom line driven. Everything's got to be about the bottom line. And it's got to be about the bottom line over your lifetime...but it also has to be about the bottom line short term. You have to balance both... short term typically

means cash and long term means P&L. (Tim, personal communication, September 4, 2009)

One of the things I wasn't good at before I started my business was watching the receivables. As an entrepreneur, I'm very good at collecting receivables today. But when I worked on the corporate side, I didn't worry about it. If it took 90 days, it took 90 days. As an entrepreneur, you've got to be very concerned about it. Because you have obligations going out. (Kim, personal communication, September 1, 2009)

So if you're not getting the income, you've got to really be able to contain the expenses. (Lee, personal communication, September 1, 2009)

Even though you've got revenue coming in, typically, the revenue is slower than the expense going out. (Bruce, personal communication, September 16, 2009)

Primary theme #3: Entrepreneurs must develop a business plan and execute it to drive success.

Seven of the nine participants discussed the need to develop a solid business plan and then execute it. To accomplish this, entrepreneurs first have to identify the type of organization they want to establish. Once that is accomplished, they can then develop a plan to build their organization, execute that plan, and finally, modify the plan as needed.

Formatting options.

Before anything else, entrepreneurs have to decide what business format they are going to utilize for their idea. Kim discussed this dilemma in his interview,

I had to learn what it's really like to start a business from scratch. Now there are two choices, well actually three, when you start business. You can start from scratch, which I did, you can buy into an existing business, or you can buy a franchise. (personal communication, September 1, 2009)

Developing a business plan.

Another learning challenge is developing a solid business plan. Many entrepreneurs have great ideas for their product/service; however, they fail to put a plan in place to market and sell that product/service. Lee, Bruce, and Bill stressed the importance of developing a plan:

There are certain things you have to get in play before you can open the doors. What is your vision? How do I get there? And what are the resources you're going to need? What's your timetable and then you begin to execute the plan and fine-tune, as you need to. (Lee, personal communication, September 1, 2009)

Taking the time to gather intelligence... So the time that it takes for the entrepreneur to gather these facts are extremely important... Wouldn't you want to take the time within reason to gather that intelligence and fine-tune your strategy? The answer is yes. (Bruce, personal communication, September 16, 2009)

It took us about a month to fine-tune the model, to tweak it and get the buy-in.

(Bill, personal communications, September 8, 2009)

Execution of business plan.

The next challenge is executing their business plan. Many entrepreneurs put the effort into developing a solid business plan; however, they fail to execute that plan:

What I discovered was ideas are worthless without execution and most of them [entrepreneurs] never spend any time researching the execution portion of it... A bad idea executed is better than a good idea not executed. (Bruce, personal communication, September 16, 2009)

Modify the business plan.

As their organization grows, it is vital for entrepreneurs to assess and modify their business plan. Several of the participants pointed this out:

We took a look at every component of our [organization] as we grew. What are we doing right? What do we need to fine-tune? How do we modify our plan? What expenses can we save? How much more offense? How do we do it? (Lee, personal communication, September 1, 2009)

My job as a CEO is to be looking out...more than just one-year... I'm looking out 3 to 5 years. I'm looking to take us to the next step. (Craig, personal communication, August 28, 2009)

As we saw the market compress, we realized we too had to make cuts and we have, painful cuts. (Tim, personal communication, September 4, 2009)

As you're growing very quickly, at least once a quarter what we were doing is fine-tuning. What are we doing right? What do we need to fine tune? (Mike, personal communication, September 11, 2009)

Primary theme #4: Eventually, entrepreneurs bring in people and manage them.

Seven of the nine participants talked about the need to hire people and then manage their performance. Once revenue starts coming in, entrepreneurs have the financial resources to add talent to their organization.

Help from others.

Eventually, successful entrepreneurs realize they either cannot do everything themselves, or they do not have the knowledge/skills to perform certain tasks. Craig highlighted this struggle when he stated,

The hard part for me was 'When do you bring the first person in to help with production, to pick up some of these things you're doing?' (personal communication, August 28, 2009)

Several other participants expressed their opinions:

One of the pitfalls of the entrepreneur, I think, is by not surrounding yourself with the good people that can give you the factual advice in advance. (Lee, personal communication, September 1, 2009)

You have to transition your business from you doing everything to start getting people who can do things. (Gary, personal communication, September 10, 2009)

I knew that I had to start building the staff and training the staff. (Skip, personal communication, September 3, 2009)

Hiring people is a risk because when you hire someone now you take on personal responsibility for that. (Tim, personal communication, September 4, 2009)

Recruiting talent.

Entrepreneurs have to learn how to recruit talent. Mike discussed this challenge:

Recruiting and hiring decent people, the people that had the mindset too that getting along is as important as getting the job done and not getting over on each other. (personal communication, September 11, 2009)

Another challenge in recruiting is that sometimes entrepreneurs have to compete with established organizations for the same pool of talent. They have to figure out creative ways to entice talent. Kim brought this up when he said,

The biggest challenge you have as a small company is competing with large corporations...offering the same level of benefits, you name it. A lot of people

that join a small company want ownership. What they don't recognize is the blood, sweat, and tears that went in to get the business where it is. So the more ownership we'd give, obviously, the less ownership we'd have. So, you try to come up with creative ways to make it attractive for a person to leave corporate—and the biggest thing we were selling is the freedom and independence that you can have in a small company and the influence of taking the business to new heights that you just can't do because it's too layered, too structured. (personal communication, September 1, 2009)

Performance management.

Once people are hired, the next learning challenge is giving them the resources that they need, set the expectations, and then have everyone work together toward the common goal. Gary described this struggle,

When [you] start the business you don't have any levels to the business, so it becomes simple and as you grow and you start hiring people, you have to manage the people, you have to set up the processes... Now all of a sudden, you've got to set processes up, teach people what to do, and it just gets more complicated.

(personal communication, September 10, 2009)

Tim also expressed this frustration,

How do I get the right people and give them the responsibility and the accountability? How do I give them the resources that they need, get them to

understand what the mission is, and then let them go out and do their job without micromanaging them? (personal communication, September 4, 2009)

He later goes on to say,

The biggest challenge is developing people. Getting people to understand your visions as to what we're doing and why we're doing. (personal communication, September 4, 2009)

Managing people can often lead to dealing with conflict. Craig referred to this when he said,

Engineers and designers are probably polar opposites. (personal communication, August 28, 2009)

Employee relations.

The next challenge is building an environment that fosters positive employee relations. Mike was very adamant in this philosophy,

We have to continuously realize our success is not because of me or the other managers, it's the people out there on the floor doing the work and those are the ones we need to continually show appreciation and gratitude towards and recognize. (personal communication, September 11, 2009)

Kim also stressed the importance of creating a positive working environment,

To have great customer service it starts with employees. Not great to your employees? You can kiss customer service goodbye. So, I always put my employees first, customers second. In doing so, customers are first. (personal communication, September 1, 2009)

The right fit.

Finally, the last challenge to managing people is to realize that some employees just aren't the right fit and then "weed" them out of the organization. Kim and Mike both discussed this issue:

I've had good employees that didn't fit. They just didn't fit; it was the wrong environment. Put 'em in the right environment and they'll be great, but, see, even though a person is productive, if they're a bad fit, they become a cancer. My goal is to cut out cancers, not allow that to contaminate the rest of the work force.

(Kim, personal communication, September 1, 2009)

I don't remember how we got to that point in transition, and what prompted it, but it was obvious, because you can work all day long at trying to bring in 10s if you will, but there's gonna be a few 3s and 4s slipping here, and we weed them out as much as we can. (Mike, personal communication, September 11, 2009)

Primary theme #5: As the organization grows, the work responsibilities drastically change for entrepreneurs.

Seven of the nine participants identified the need for entrepreneurs to be willing to do any and every task when they start their business. However, they also stressed that as their organization grows, they have to stop trying to do everything and start delegating.

Both feet in.

A difficult challenge for entrepreneurs is the necessity of doing every task required to start up a business. Most entrepreneurs do not have a lot of money, and so they cannot hire staff right away to complete tasks, even menial ones. Several participants recalled this challenge:

When you're the entrepreneur, especially in a startup, it's you. You don't have the [talent] bench; you are the bench. (Kim, personal communication, September 1, 2009)

You have to wear a lot of different hats as an entrepreneur, especially right out of the gate. Hats that you're not familiar in wearing. (Skip, personal communication, September 3, 2009)

It doesn't matter what your rank is here. Everyone pitches in for the common good. (Lee, personal communication, September 1, 2009)

In the start-up phase, you've got to be committed, you do whatever you've got to do and take whatever amount of time... you don't have the resources to hire a lot of people to do a lot of stuff. (Gary, personal communication, September 10, 2009)

It was all a new experience for me and at that time, I was working, building tools, making dyes, we were just a small company and you just wore a lot of hats, I mean you could be driving a truck, doing shipping and receiving work, or cleaning the bathrooms. (Mike, personal communication, September 11, 2009)

Where do you spend your time? That's the problem I faced as the CEO of this [organization] when I first opened. (Lee, personal communication, September 1, 2009)

Delegating tasks.

Once revenue begins to flow in, entrepreneurs have to learn to delegate tasks. Many of the participants brought up this issue:

It's hard to do everything yourself. (Craig, personal communication, August 28, 2009)

I can't do everything. (Kim, personal communication, September 1, 2009)

You have to transition your business from you doing everything to start getting people who can do things. (Gary, personal communication, September 10, 2009)

Even though entrepreneurs realize that they cannot accomplish everything, a couple of the participants stated that they still had difficulty in letting go of tasks:

I find it very difficult to, to let go and get out of the day-to-day of the business.

(Gary, personal communication, September 10, 2009)

Most entrepreneurs try and do every phase of the business. (Bruce, personal communication, September 16, 2009)

Primary theme #6: Entrepreneurs have to build their organization's infrastructure as it grows and matures.

The next learning challenge theme is building the infrastructure of the organization. Much time and energy is spent at start-up with developing and selling their product/service. However, once revenue starts increasing, the organization becomes more complex in terms of structure and processes. Seven of the nine participants discussed their struggle with this complexity:

When [you] start the business you don't have any levels to the business, so it becomes simple and as you grow and you start hiring people, you have to manage the people, you have to set-up the processes... Now all of a sudden, you've got to set processes up, teach people what to do, and it just gets more complicated.

(Gary, personal communication, September 10, 2009)

You've got [to] design some systems where there's some consistency, but you don't lose the autonomy and expertise that the individuals can bring. (Tim, personal communication, September 4, 2009)

As you get bigger, there are many things you've got to put in place, rules and regulations ...because when it was a small, tightly knit family group, you knew where everybody was and on what page and at all times, but when you grow, things do change, they have to change and they should change. As time goes on, now you have to create a hierarchy, a sort of chain of command, some reporting direction; but the part that was really painful for me has been things like employee handbooks, spelling out how you're gonna deal with certain situations instead of just dealing it with the way your heart and your head tells you to deal with it. (Mike, personal communication, September 11, 2009)

As we grew, I had to set up all the office stuff. (Kim, personal communication, September 1, 2009)

So with growth you have even more challenges making sure that the process is effective and that the process can sustain you long term and the knee-jerk reaction could be to add more resources, but is it sustainable to maintain the incremental resources you need? (Lee, personal communication, September 1, 2009)

Trying to provide benefits and getting aligned with companies that could provide health insurance and 401k and all that kind of stuff. (Bill, personal communications, September 8, 2009)

Even building a building, that was the biggest challenge I think I faced. When it was time to move out of the comfortable arena that we were in, making a lot of money and taking on all that debt. (Craig, personal communication, August 28, 2009)

Primary theme #7: Entrepreneurs have to put the time and effort into selling their product/service.

Customers are always an important part to any organization's success. It is no different with entrepreneurial organizations. Six of the nine participants discussed issues dealing with this theme. The learning and development challenge is identifying potential customers and then maintaining excellent customer service.

Establishing the customer relationship.

The first step in this challenge is realizing that effort has to be put forth in marketing and selling the product/service. Many of the participants described this time in their organization's development:

The first area I needed significant learning in was sales. I kept thinking, how do I manage that sales process? It's been a struggle all along and it's always been a struggle for us. (Tim, personal communication, September 4, 2009)

I suddenly realized that there's not a magic bullet out there, and I think the first magic, the only magic bullet is recognizing that you need to put a big effort into the sales process. Recognizing the importance of being able to go out and sell your product. You could have all the greatest ideas in the world and a good business plan, but if you can't sell it to somebody... It's not gonna do you any good. (Gary, personal communication, September 10, 2009)

Challenges in the start-up phase? Probably customer needs was big for us, because I'm not sure the customer knew. Basically I went out and met with people and to sell my idea. (Craig, personal communication, August 28, 2009)

I had to build...the sales...and the marketing support materials and the strategy. Keep in mind, reputation in the marketplace is everything. I mean, people underestimate that. Reputation is everything. (Kim, personal communication, September 1, 2009)

The learning challenges were to be able to get the word out in a cost-effective way to launch this [organization] to attract the type of clients we wanted. (Lee, personal communication, September 1, 2009)

Everything revolved around sales and marketing side. (Mike, personal communication, September 11, 2009)

Maintaining the customer relationship.

The ability to connect with customers is vital to any success. A key way to do this is through excellent customer service. Craig, Lee, and Mike explained this:

I suppose the hardest is for us to stay on that curve with our customer. I think a big challenge for us is always been able to stay on the – or always trying to be able to stay on that curve and just keep developing and growing and as we progress with the customer because they change constantly. (Craig, personal communication, August 28, 2009)

You have to work with your clients. How are they struggling? Can you lower the payments? Do you have the flexibility to help make them whole and work with their accountant to get them through the troubled times. (Lee, personal communication, September 1, 2009)

People, too often tell [customers] what they want to hear, but you have to meet those commitments too. So much is built on relationships you have with your customers. (Mike, personal communication, September 11, 2009)

Primary theme # 8: Entrepreneurs must invest time and effort into the development of their products/services.

Some new entrepreneurs believe that because they have an innovative idea for a product or service, success will be automatic. Unfortunately, it isn't that easy. Six of the nine participants emphasized the reality of putting a lot of hard work into developing and fine-tuning products or services.

Before start-up.

Even before they could start selling their idea, three of the participants spent time and money on research and development:

I'm a big advocate that you have to build before you sell. You have to invest in the business to work the business and people aren't prepared to make those investments. I was paying for services before we had cash coming in. (Kim, personal communication, September 1, 2009)

I had to take the time to do the research. ... So the time that it takes for the entrepreneur to gather these facts is extremely important... Wouldn't you want to take the time within reason to gather that intelligence and fine-tune your product? The answer is yes. (Lee, personal communication, September 1, 2009)

Product process development was a huge, huge learning challenge in start-up. (Craig, personal communication, August 28, 2009)

After start-up.

Even after entrepreneurs initially develop their idea into a marketable product/service, they still need to continually update it:

Not only are we out there trying to sell, but we're trying to develop our product...we have to be able to take a product that's developed... and we've got to be able to put this... in a repeatable process. (Craig, personal communication, August 28, 2009)

What were some of the learning and development challenges for in the later phases? I don't think it ever changed –we still have the challenge of looking at the product that we were given, and we had to be able to take that product and be able to...repeat it. (Tim, personal communication, September 4, 2009)

We always want to bring technology to our customer. A little bit better, a little bit faster, a little bit cheaper. (Mike, personal communications, September 8, 2009)

Building repeatability and predictability into our solution by using technology better and reducing the amount of human intervention in the model, and in doing so, the mundane work goes away, work that people get bored with and don't like anyway. It drives cost down, and quite frankly, it enhances the [customers'] experience. (Kim, personal communication, September 1, 2009)

Quality.

Not every participant commented on the need to build quality into their product and process, but all three entrepreneurs in the manufacturing arena discussed the importance of it:

Fifteen years ago it was quality and what am I gonna do to create consistency in an organization that's growing. (Mike, personal communication, September 11, 2009)

We had to learn how to take waste out. (Craig, personal communication, August 28, 2009)

We have someone who spends all his time looking at nothing but lean for us. (Gary, personal communication, September 10, 2009)

Primary theme #9: Entrepreneurs have to manage growth or it can quickly get out of control.

If entrepreneurs are successful in launching their organization, they can quickly move on to the next phase, Growth. If they are not careful, many of the behaviors that allow entrepreneurs to be successful in the Start-up phase will then become a hindrance. Five of the nine participants expressed the challenge of managing in a different way:

When you grow, the way in which you manage the business becomes completely different. In the growth phase, it was managing the workflow. (Gary, personal communication, September 10, 2009)

When it gets bigger, the business gets more complex. (Craig, personal communication, August 28, 2009)

Growth is a good thing, but growth can be just as bad as the decline, you know, if it's just too fast, or if it's out of control. (Tim, personal communication, September 4, 2009)

Managing growth is the toughest thing in business because unless you've been trained to manage growth, you're clueless about growth. (Bruce, personal communication, September 16, 2009)

So with growth you have even more challenges making sure that the process is effective and that the process can sustain you long term, and the knee-jerk reaction could be to add more resources, but is it sustainable to maintain the incremental resources you need. At least once a quarter, we were fine-tuning. What are we doing right? What do we need to change? (Lee, personal communication, September 1, 2009)

Primary theme #10: Entrepreneurs need to diversify in order to survive.

Many entrepreneurs have great ideas. Additionally, many start off with strong sales. However, entrepreneurs often find that the original idea can sustain them for only so long. Five of the nine participants emphasized the necessity to diversify their product/service or customer base. They found that in order to get past declining or stagnant periods, they had to diversify:

There's definitely cycles of growth and then flat and then you've got to do something different...you figure things out to address a certain part, a certain market, or a certain part of the market, or what have you, and then you get stuck in that routine and it plateaus and you've got to find something different. (Tim, personal communication, September 4, 2009)

Number one thing that I learned the hard way was you have to be diversified in whatever you're doing. (Mike, personal communication, September 11, 2009)

Lessons learned? Make sure that we diversify. (Skip, personal communication, September 3, 2009)

It's hard to put your finger on now because the economy and the business sector is so screwed up, especially the quality markets that we're in. It's hard to put your finger on what's good and what's bad. You have to try different things, diversify. (Craig, personal communication, August 28, 2009)

We're taking a look now at companies that have dealt exclusively with the automotive industry that got stung a while back, they're diversifying now, more in the healthcare depending on the product they have. So we're seeing lessons learned and resiliency built. (Lee, personal communication, September 1, 2009)

4.5.2 Research Question #2: What specific knowledge/skills are most important to entrepreneurs' success in each of the various phases of organizational growth?

Not every learning challenge identified in research question #1 had a specific set of knowledge/skills attached to it. In addition, some of the same knowledge/skills that entrepreneurs had identified are vital to several of the learning challenges. For the purpose of this section, all of the knowledge/skills necessary for successful movement through the organizational growth phases are placed into one of six primary themes: Product/Service Development, Business, Customer, People, Financial, and Personal (see Table 6). For each primary theme, the types of knowledge/skills mentioned by the participants are listed, followed by the names of the participants who mentioned them.

Table 6: Six Primary Themes for Research Question #2

Six Primary Themes	Craig	Kim	Lee	Gary	Bruce	Tim	Mike	Bill	Skip
Business (8 of 9)	X	X	X	X	X		X	X	X
Customer (8 of 9)	X	X	X	X		X	X	X	X
People (7 of 9)	X	X	X	X		X	X	X	
Financial (7 of 9)	X	X	X	X		X	X	X	
Product/Service Development (6 of 9)	X	X		X		X	X		X
Personal (5 of 9)			X	X	X		X		X

Primary theme #1: Business.

The first category of knowledge/skills involves setting up the organization as a business. These include general business areas such as:

Knowing/predicting when it is the best time to start a business or exit a business

(Craig, Kim, Bruce, and Bill)

Legal – Patents and Intellectual Property (Craig, Kim, and Lee)

Human Resources – Payroll, Worker’s Compensation, Unemployment, Insurance

(Kim, Gary, Tim, Bill and Mike)

Setting the vision and mission of the organization (Lee and Gary)

Ability to research and find expertise in the market (Lee, Bruce, and Mike)

Identify when to bring on resources and how many (Kim, Lee, Skip, and Bill)

Primary theme #2: Customer.

The second category relates to the customer experience. These can be divided into Pre-sell and Post-sell. The Pre-sell includes:

Marketing (Craig, Lee, Gary, and Bill)

Sales (Kim, Lee, Gary, Skip, and Tim)

Negotiations (Kim and Lee)

Ability to research and identify the needs of the customer (Craig, Kim, Lee, Skip, and Gary)

The Post-sell includes:

Customer service (Craig, Kim, Lee, Gary, Mike, and Bill)

Understanding the clients' needs (Craig, Kim, Lee, Gary, Mike, Skip, and Tim)

Communication (Lee and Mike)

Primary Theme #3: People.

The third category involves dealing with people that entrepreneurs hire. A lot of these are typical to managing people:

Recruiting (Kim and Bill)

Hiring (Kim, Gary, and Tim)

Defining expectations (Lee, Gary, and Bill)

Develop people; empower them (Lee, Gary, and Mike)

Keeping everyone on the same page (Kim, Lee, Gary, and Mike)

Hold people accountable (Kim, Lee, Gary, Mike and Bill)

Rewarding your people; compensation (Kim and Mike)

Communication (Craig, Lee, Gary, Mike, and Bill)

Primary Theme #4: Financials.

The fourth category relates to the various financial challenges of entrepreneurial organizations. These include:

Accounting (Craig, Kim, Gary, and Mike)

Banking (Kim, Lee, Tim, and Bill)

Receivables (Kim, Gary, and Bill)

Cash flow (Kim, Lee, Gary, and Bill)

Expense control (Craig, Lee, Gary, and Bill)

Primary Theme #5: Product/Service Development.

The fifth category of knowledge/skills involves developing the product or service that entrepreneurs want to sell. Some of these have to be in place at the very start, and some can be learned later. Knowledge/skills are needed to develop and produce the product/service itself, such as:

Computer (Craig and Tim)

Research and development (Craig, Gary, and Mike)

Engineering (Craig and Tim)

Understanding the industry (Craig, Kim, Mike, and Skip)

Quality (Craig, Gary, Tim, and Mike)

Benchmarking (Craig, Gary, and Tim)

Knowledge/skills also include “surrounding issues,” such as:

Pricing of product/service (Craig and Gary)

Knowing the cost of your product/service (Craig and Gary)

Supplier relationships (Craig and Tim)

Primary Theme #6: Personal.

The last category deals with all of the intra-personal knowledge/skills that can help or hinder entrepreneurs. These include:

Priority/Time management (Lee, Gary, Mike, and Skip)

Resourcefulness (Lee, Bruce, and Skip)

Passion (Mike and Skip)

Persistence (Gary and Skip)

Being positive (Gary, Bruce, and Lee)

Being honest with yourself (Bruce and Lee)

4.5.3 Research Question #3: What are the most valuable learning tools for entrepreneurs? Who/What helped?

Entrepreneurs utilize various tools as they attempt to learn the needed knowledge/skills to handle learning challenges as their organization moves through the organizational growth phases. The identified learning tools are divided into five

categories: Network of People, Purchasing Knowledge and Expertise, Formal and Informal Education, Prior Experience, and On-going Learning Experiences (see Table 7).

Table 7: Five Primary Themes for Research Question #3

Five Primary Themes	Craig	Kim	Lee	Gary	Bruce	Tim	Mike	Bill	Skip
Network of People (9 of 9)	X	X	X	X	X	X	X	X	X
On-going Learning Experiences (6 of 9)	X	X	X				X	X	X
Formal and Informal Education (6 of 9)			X		X	X	X	X	X
Prior Experience (6 of 9)	X	X	X	X	X		X		
Purchasing Knowledge and Expertise (5 of 9)		X	X	X	X		X		

Primary Theme #1: Network of People.

Entrepreneurs utilize various people groups to acquire the needed knowledge/skills to successfully grow their organization. All nine participants discussed utilizing various networks of people to help with learning challenges.

Need for a Network.

More than anything else, participants expressed the necessity of finding people that can help them with challenges faced in their entrepreneurial venture:

It's good if you surround yourself with good people. (Craig, personal communication, August 28, 2009)

The other thing is constantly surrounding yourself with individuals you can learn from. (Skip, personal communication, September 3, 2009)

The whole notion is to get good, current, candid advice to better improve our [organization] and take us to that next level. (Lee, personal communication, September 1, 2009)

There are so many people that can add great value...that have been there and done that and seen that or experienced it or witnessed it or students of history who can point out some of the speed bumps and road blocks to help you avoid that. (Mike, personal communication, September 11, 2009)

Informal Networks.

Many entrepreneurs initially do not have the money/resources to purchase the required knowledge/skills by adding staff or hiring consultants. Therefore, they have to depend on informal networks to acquire this information. These networks include family and friends who might have certain talent. Kim, Tim, and Skip utilized these informal networks:

What is key is having a strong supporter at home. My wife is my biggest advocate in starting my own business. (Kim, personal communication, September 1, 2009)

My brother-in-law is a CPA, so he helped me with a lot of that financial stuff. (Tim, personal communication, September 4, 2009)

The biggest tools for me have been consulting with friends that I trust. (Skip, personal communication, September 3, 2009)

Like-Minded Networks.

Entrepreneurs also seek out other like-minded people who have already started their own business or in the process of doing it. Several participants touched on this:

Throughout your life you meet people who are in their own entrepreneurial adventures and they may be at different phases of theirs and you meet and consult each other. (Bill, personal communications, September 8, 2009)

Meeting with people I trust. Quite often, other entrepreneurs. These are guys that I talk to once a month at a minimum and we learn from each other. We're sharing ideas. (Tim, personal communication, September 4, 2009)

I established relationships with people that were professionals in that area and they've helped weed me through that process over the years. (Mike, personal communication, September 11, 2009)

I obviously invested time with other entrepreneurs, so I got involved in the Employer's Association CEO round table, cause that tends to be a group of entrepreneurs. (Bruce, personal communication, September 16, 2009)

I got exposed to a lot of other entrepreneurs and venture capitalists. The good news is I know those people personally today and my leverage in working with those people today is a lot different. And so I could use those people and give up less ownership because they have confidence in me. Person right out of the gate would not have that much. (Kim, personal communication, September 1, 2009)

I had a peer group at that time of 40+ presidents throughout the country and as I was growing, we would exchange ideas. (Lee, personal communication, September 1, 2009)

Having that kind of peer group to meet with, to have a cup of coffee with, to say, "Here's what I'm facing. How do you see it?" To interface with other individuals has been tremendous. (Skip, personal communication, September 3, 2009)

Mentors.

A common theme with all of the entrepreneurs is that they seek out mentors: people who have the maturity/experience to guide and advise them. Most of the participants stressed the importance of having a mentor:

I've had a couple or three really good mentors in my life - it's to calculate, to look at things, to move forward, to understand situations or insight to things. (Craig, personal communication, August 28, 2009)

I go to mentors... So, that's how I manage growth is really by getting to know mentors. (Bruce, personal communication, September 16, 2009)

You have good advisors that can help you. (Skip, personal communication, September 3, 2009)

I have outside coach who I utilize. (Gary, personal communication, September 10, 2009)

Having a professional sounding board is very important. (Tim, personal communication, September 4, 2009)

Investors/Partners.

Some entrepreneurs utilize their investors/partners as sources of information. Both Kim and Lee had investors/partners when they started their organization:

[My partners] were the encouragement behind the scenes, they kept [saying] this is on the path, don't worry about it, we're on path, we're on path, we're on path, we're doing the right things. They kept reinforcing that we're doing the right things. (Kim, personal communication, September 1, 2009)

My best mentor and sponsors ...They were an investor in my last business; they'd be an investor in any of my businesses. They are great entrepreneurs and I wanted to learn from them because they wore all those hats. I never had to wear all those hats. (Kim, personal communication, September 1, 2009)

What additional resources do we need? Can we get it from [parent company] ...? I mean they were a tremendous help to us as we began to grow. (Lee, personal communication, September 1, 2009)

Professional Networks.

There are many professional organizations that aid entrepreneurs as they build their organizations. Successful entrepreneurs seek help from these organizations. Four of the participants admitted that they sought this type of help:

The Chamber of Commerce [was there] to help write that business plan or SCORE to help do the same. (Lee, personal communication, September 1, 2009)

A lot of the data that can be found, if one was willing to work with the Chambers. (Bill, personal communications, September 8, 2009)

I've been a member of the center, the UT center for Family Business. (Mike, personal communication, September 11, 2009)

I sought out the advice of an organization called SCORE. (Skip, personal communication, September 3, 2009)

Staff.

Once the entrepreneurial organization is established and revenue has started to be generated, entrepreneurs turn to hiring qualified employees and utilize them for learning the needed knowledge/skills. A number of participants did just that:

One of them [employee] was a carryover from the company I used to work with. (Mike, personal communication, September 11, 2009)

I hired a guy, a business degree person, who brought a lot more systems into the company. (Craig, personal communication, August 28, 2009)

We have a strategic team that I utilize. (Gary, personal communication, September 10, 2009)

Every one of us [employees] is a seasoned-veteran with many, many years' experience. (Lee, personal communication, September 1, 2009)

Customers.

Another network utilized is customers. Entrepreneurs seek advice and information about how to better produce a product or serve their customers. Craig was adamant about this process:

So we spent a lot of time with customers asking what are your needs, how are you going to produce this, how are you gonna make the changes? So we took the information from the chemical people; we took the desires of the end user – feedback from technical perspective and feedback from customers. (Craig, personal communication, August 28, 2009)

Board of Directors.

Once their organization is established, many entrepreneurs appoint a Board of Directors. This is a great way to add years of experience to the organization at little or no cost. Three of the participants addressed this type of network:

I added them to my board cause you know I don't have bench strength, so I needed some people where I could reach out to and bounce ideas off – concepts off. (Kim, personal communication, September 1, 2009)

And I've got a very sound board of directors. As we take a look at who gives you input in these difficult times, what I have found very helpful to me is our board of directors... These individuals meet once a month. We talk about various factors and we talk very candidly about how we're doing and what we can do to take the next step. (Lee, personal communication, September 1, 2009)

If I don't know something, often I have someone on my board of directors that does. (Gary, personal communication, September 10, 2009)

Primary theme #2: On-going learning experiences.

Entrepreneurs also seek out and leverage current experiences to acquire the knowledge/skills needed to solve various learning challenges. Six of the nine participants shared examples of using this type of learning tool.

Staying active in their field.

Entrepreneurs stay active in their industry to keep abreast of current information.

Kim, Bill, and Skip took this route:

I got very involved in the association in the industry, because again, [the product/service] was so new there were a lot of entrepreneurs in the association or industry. There were big players too, but there were a number of people like me and I wanted to learn from those people. (Kim, personal communication, September 1, 2009)

I stayed very active in the industry in terms of public speaking engagements. (Bill, personal communications, September 8, 2009)

I kept my visibility out there; I was very active in the largest association. I became a board member of that association, so I kept [my] name out there because at the end of the day, [company] is an extension of [entrepreneur], at

that time, because it didn't have its own identity or reputation. (Skip, personal communication, September 3, 2009)

Leadership committees.

Entrepreneurs also seek out opportunities to gain insight into how to run their organization by sitting on other organizations' board of directors or by serving on leadership committees. Mike and Lee took advantage of this:

I'm involved in a couple different committees and I've learned, gained an immense amount of insight into financial things that I'd never had before. (Mike, personal communication, September 11, 2009)

I have been able to enter into several leadership positions in the community and I've also had the good fortune of sharing several boards. (Lee, personal communication, September 1, 2009)

Research and development.

Entrepreneurs, especially in manufacturing, continuously utilize research and development activities to learn and overcome technical difficulties. Craig described his experience:

We did a lot of testing, a lot of poll testing, a lot of thickness testing, a lot of those types of things. So we spent a lot of time in the laboratories, environments, doing a lot of R&D work. Also, we did a lot of hand-to-hand work with one of their chief developers. (Craig, personal communication, August 28, 2009)

Primary theme #3: formal and informal education.

Not only do entrepreneurs seek out guidance from networks of people and current experiences, but they also make use of formal and informal educational resources. Six of the nine participants acknowledged seeking out this type of learning tool.

Formal education.

Entrepreneurs utilize formal education venues to learn needed knowledge/skills.

Several of the participants discussed this:

Getting an education is certainly a help. (Bill, personal communications, September 8, 2009)

I think one of the greatest resources we have are universities. A lot of the data can be found, certainly at the University of Toledo, if one was willing to dig into the research that has been conducted. (Lee, personal communication, September 1, 2009)

I've also used some online learning. (Skip, personal communication, September 3, 2009)

I went to a conference last fall on entrepreneurship. (Tim, personal communication, September 4, 2009)

I attend seminars and conferences. I've taken some classes at UT, some business classes. (Mike, personal communication, September 11, 2009)

Informal education.

Entrepreneurs also use informal educational venues to learn. Three participants mentioned this:

There are some great abilities out there to read either through the electronic media or through written media. There are some great books out there that can help. (Lee, personal communication, September 1, 2009)

I read a lot. (Skip, personal communication, September 3, 2009)

I'll research it. I'll get online. (Bruce, personal communication, September 16, 2009)

Primary theme #4: Prior experience.

A valuable learning tool many entrepreneurs utilized is their prior experience. Six of the nine participants answered that they utilized their prior experience.

Industry experience.

Many entrepreneurial organizations are founded in industries where the entrepreneur had previous work experience. Therefore, they rely on that previous experience to solve learning challenges that arise. Four of the participants stated this:

I knew the industry. I was a thought leader. (Kim, personal communication, September 1, 2009)

I had that background. I came from the business, so, I had industry knowledge, I had product knowledge. (Gary, personal communication, September 10, 2009)

It's important to work in whatever field you wanted to get into for awhile and learning about [it] from the ground up. (Mike, personal communication, September 11, 2009)

You learn all those type of things, and it's easy to pick those things up just from being around it. (Craig, personal communication, August 28, 2009)

Other experiences.

Entrepreneurs also utilize other prior experiences as learning tools when confronting learning challenges. These experiences include prior management, leadership, or start-up experience. A number of participants leveraged other prior experiences:

I had the benefit of being a minority investor once before. (Bruce, personal communication, September 16, 2009)

I had some benefits over entrepreneurs that never worked in corporate America. Recognizing the difference between a leader and a manager, about inspiring the workforce, but to me, what was extremely important starting my own business was

creating a very unique environment. Also, I think the benefit I had coming out of corporate America, I was exposed to so many different aspects of the business I became a pretty solid businessman, not a subject matter expert in all those functional areas, but a good business person. (Kim, personal communication, September 1, 2009)

A lot of that was gained over time with my management experience and that comes all the way back from my business degree. (Gary, personal communication, September 10, 2009)

Being a naval officer is like having a doctorate in management. (Lee, personal communication, September 1, 2009)

Primary theme #5: Purchasing knowledge and expertise.

Many entrepreneurs don't have the time or ability to learn all the knowledge/skills to overcome some of the learning challenges. For this reason, they sometimes have to purchase that expertise.

Start-up.

As mentioned before, many entrepreneurs start their organizations with little money to purchase expertise. However, if any expertise is purchased, it is usually for assistance from an attorney and/or accountant. Four of the participants admitted this need for expertise:

I just turned to the professionals to help me start this company between attorney and accountant. (Mike, personal communication, September 11, 2009)

You need to find an attorney. (Bruce, personal communication, September 16, 2009)

When I put my business plan together, I worked with an attorney, worked with a good accounting firm, and used those people to help me understand. (Gary, personal communication, September 10, 2009)

I needed a good strong attorney and a very good strong accountant that will give me facts, that will be reasonable with me, and charge me reasonable fees. (Lee, personal communication, September 1, 2009)

Post start-up.

Once entrepreneurs are established and have positive cash flow, they quickly realize that they just don't have the time to do everything, and it would be beneficial to purchase the knowledge/skills. Kim, Tim, and Lee realized this:

I built a training program from scratch. Now, I hired an independent consultant. I knew what I wanted, but I'm spread thin. I can't do everything. I hired an independent consultant to write the curriculum. (Kim, personal communication, September 1, 2009)

Once I had some money, I bought [human resource] services from the outside. (Lee, personal communication, September 1, 2009)

After about a year, I found a small independent financial firm to do my books. (Tim, personal communication, September 4, 2009)

4.5.4 Research Question #4: How do entrepreneurs recognize the need for learning?

Before entrepreneurs acquire a necessary knowledge/skill, they must first recognize the need to learn. Results from this study indicate participants recognized such a need through intrinsic and extrinsic motivational factors.

Primary theme #1: Recognition through intrinsic motivational factors.

There are internal influences that motivate entrepreneurs to recognize there is a gap in their knowledge/skill set and they must learn a particular knowledge/skill if they are to successfully close that gap. Nine intrinsically motivating factors were identified from the results of this study (see Table 8).

Table 8: Nine Intrinsically Motivated Factors

1.	As time goes by, entrepreneurs realize that they can't get everything done.
2.	As confidence builds, entrepreneurs start focusing long term.
3.	Entrepreneurs utilize prior experience to determine gaps.
4.	When entrepreneurs just don't love what they are doing anymore.
5.	Intuition tells them that they need to do something.
6.	Once they put their ego aside, entrepreneurs start to recognize the gaps.
7.	They are no longer satisfied with their present situation and want to move the organization along.
8.	Entrepreneurs use the fear of failure. They are constantly afraid that a bad decision will lead to their organizations' failure.
9.	Entrepreneurs recognize the need to learn through mental exercises, such as introspection, contemplation, and planning.

1. As time goes by, entrepreneurs realize that they can't get everything done:

I don't think you're ever ready to bring anybody in when you start something up because you have no money. It's who shares the dream, the idea of what you're doing. As you go down the road you get more open to the fact that somebody has to come in and do the job, but I think in the beginning, it's very difficult. (Craig, personal communication, August 28, 2009)

It was obvious ...one of my primary roles at that point was sales. Customer relations. I couldn't keep up with all the administrative stuff and quite frankly,

I'm not very good at it, all that detail stuff, it just got to the point I didn't want to deal with it anymore. (Mike, personal communication, September 11, 2009)

2. As confidence builds, entrepreneurs start focusing long term:

As you go along, you get a little more proactive and then, to where you start looking ahead and saying, "If I could do this, then we could grow and we could change things and we could move things along because somebody's in here." (Bill, personal communications, September 8, 2009)

So we've developed that into a pretty fair chunk, and, uh, that wouldn't have happened if we would have sat on our hands and said, "No, we'll wait until we get the business." (Craig, personal communication, August 28, 2009)

3. Entrepreneurs utilize prior experience to determine gaps:

How did I know it was time to start selling? I knew the business. I had subject matter expertise. (Gary, personal communication, September 10, 2009)

First time selling my business, I was probably less knowledgeable about when the right time was. I was probably less confident that time, I was more confident the second time I did it. (Kim, personal communication, September 1, 2009)

4. When entrepreneurs just don't love what they are doing anymore:

It was just no longer right for me. It could be right for many others, and it could be right for many new people coming in. It was not the part that I fell in love with.

(Kim, personal communication, September 1, 2009)

5. Intuition tells entrepreneurs that they need to do something:

I wish I could tell you all the scientific study and fact-finding that went into that, but, that's unfortunately, that's not me... intuition, it's as much that as it is anything else. (Mike, personal communication, September 11, 2009)

I have a knack of predicting when's the right time to start a business. (Kim, personal communication, September 1, 2009)

As it turned out, it was the right thing to do, but I wasn't sure at the time. (Tim, personal communication, September 4, 2009)

6. Once they put their ego aside, entrepreneurs start to recognize the gaps:

The other thing is to first understand that you need to learn. Get your ego out of the way. (Lee, personal communication, September 1, 2009)

Put your ego in the backseat. (Skip, personal communication, September 3, 2009)

7. Entrepreneurs are no longer satisfied with their present situation and want to move the organization along:

Because I wanted to take it to the next level. (Bruce, personal communication, September 16, 2009)

8. Entrepreneurs use the fear of failure. They are constantly afraid that a bad decision will lead to their organizations' failure:

A certain amount of fear I think is healthy, be afraid all the time of what did you forget, what are you overlooking, what could you do better? What should you be doing? (Mike, personal communication, September 11, 2009)

9. Entrepreneurs recognize the need to learn through mental exercises, such as introspection, contemplation, and planning:

There's a lot of serious introspective and conversations and contemplations and planning that goes on. (Lee, personal communication, September 1, 2009)

Because I felt that's where the market was moving. (Bill, personal communications, September 8, 2009)

So, that's why I sold my business. I also recognize that I thought the industry was maturing, and I felt that there was a two-year window and at the end of two years, the value of business would be a lot less. (Kim, personal communication, September 1, 2009)

Primary theme #2: Recognition through extrinsic motivational factors.

There are also external influences that motivate entrepreneurs to recognize that there is a gap in their knowledge/skill set and that they must learn a particular knowledge/skill if they are to successfully close that gap. Seven extrinsically motivating factors were identified from the results of this study (see Table 9).

Table 9: Seven Extrinsically Motivated Factors

1.	When entrepreneurs can't provide to their customers what they want.
2.	They research or "gather intelligence" to determine any knowledge/skill gap.
3.	They ask for advice and listen to others.
4.	While in conversations with others, entrepreneurs identify gaps from what they cognitively do and do not understand.
5.	Other people tell them, such as staff members, boards of directors, or customers.
6.	Entrepreneurs compare themselves and their organization with their competitors.
7.	Recognition is done out of necessity, in order to survive personally and professionally.

1. When entrepreneurs can't provide to their customers what they want:

I think what outweighs it is when you can't, you can't provide to your customer the service or the needs they, that they require at a particular time. (Craig, personal communication, August 28, 2009)

You talk to the customers and you get projections and all that kind of stuff and just get a feel for where their sense is. (Mike, personal communication, September 11, 2009)

2. Entrepreneurs research or “gather intelligence” to determine any knowledge/skill gap:

Gain the best intelligence you can. (Lee, personal communication, September 1, 2009)

There are signs. One is the number of people raising interest in buying our business. Also, I felt it was the right time to get into the industry, because the industry was new. (Kim, personal communication, September 1, 2009)

3. Entrepreneurs ask for advice and listen to others:

I think by asking for advice. Who is a successful owner of business, and maybe not necessarily your field, but a competitive field and not mind opening up?

(Lee, personal communication, September 1, 2009)

4. While in conversations with others, entrepreneurs identify gaps from what they cognitively do or do not understand:

I think you learn where the gap is pretty quickly. You realize there's a gap in your knowledge in terms of understanding what you need to understand to be

effective in that conversation...but you recognize what you don't know, and then you, whether you ask questions or you reach out to people who have been there, done that before. (Gary, personal communication, September 10, 2009)

5. Other people, such as staff members, boards of directors, or customers tell entrepreneurs:

Having them [employees] hold you accountable. (Mike, personal communication, September 11, 2009)

I think the organization told me. (Bill, personal communications, September 8, 2009)

Our planning team meets formally. What we do is we review the things that we need to be focusing on from a strategic level, and it became very evident out of that group....so how did I learn? My people told me. (Gary, personal communication, September 10, 2009)

6. Entrepreneurs compare themselves and their organization with their competitors:

I look at my top competitors. (Bruce, personal communication, September 16, 2009)

7. Recognition is done out of necessity, in order to survive personally and professionally:

And you learn when you see holes in your ability to put dollars to the bottom line. (Skip, personal communication, September 3, 2009)

The need to learn – the understanding of the need to learn is a lot of easier than it is in a corporate environment. Because not learning is much more punishing than it is in a corporate environment. If I want to put food on the table, I have to learn. So for an entrepreneur, it's out of necessity – I mean it's real simple. The need to learn is out of necessity. (Tim, personal communication, September 4, 2009)

4.5.5 Research Question #5: What advice can entrepreneurs offer fellow entrepreneurs about what and how to learn during the various phases?

Participants offered nine pieces of advice to fellow entrepreneurs (see Table 10).

Table 10: Nine Pieces of Advice

Nine Pieces of Advice	Craig	Kim	Lee	Gary	Bruce	Tim	Mike	Bill	Skip
1. Effort (Just run!)	X	X	X	X	X	X	X	X	X
2. Listen (Seek the counsel of wise people)	X	X	X	X	X	X		X	X
3. Financial (Cash is King)	X	X	X		X	X	X	X	X
4. Planning and Execution (There's a difference between a wish and dream)		X	X	X	X	X	X	X	X
5. Diversify (Diversity is key)	X		X		X	X	X		X
6. Sales (Sales is everything)		X	X	X		X	X		
7. Learn from Mistakes (We're all going to make mistakes)	X			X		X	X		X
8. Basics (You have to start with the basics of product development and customer service)	X	X		X				X	
9. Self-Efficacy (Be honest with yourself; understand that you don't know everything)			X				X		

1. Effort (Just run!)

Many entrepreneurs spend too much time overanalyzing every single move that they want to make. They are afraid of making a bad decision that might lead to failure. There are times during which entrepreneurs just have to make a decision and then execute it.

The key is to readjust their strategy if things aren't working out:

Just do it, don't overanalyze it, it's just chemistry, you will never get it perfect.

(Bruce, personal communication, September 16, 2009)

It is all about effort, more so than the idea/product/service. It is going to take a lot of hard work. Execution of the plan is as important as the plan itself.

(Bill, personal communications, September 8, 2009)

It's just, it's chemistry.

(Skip, personal communication, August 28, 2009)

Try to press forward.

(Craig, personal communication, August 28, 2009)

Nothing's perfect. You never get it the way that you'd like to have it, which is

perfect.

(Gary, personal communication, September 10, 2009)

There is a lot of work that goes into starting and running an organization.

Entrepreneurs sacrifice a lot to accomplish their dream. They have to be prepared to put huge amounts of effort into it:

Don't do it unless you love it.

(Tim, personal communication, September 4, 2009)

People are capable of doing almost anything, but they forget about the investment that they have to make. They let life control them versus them controlling life.

(Kim, personal communication, September 1, 2009)

Don't even think about it unless you're completely and totally committed and passionate about what you're doing. If you don't love what you're doing, you're not gonna succeed. (Lee, personal communication, September 1, 2009)

You have to love what you're doing and doggone it you have to love being around people too. (Mike, personal communication, September 11, 2009)

2. Listen (Seek the counsel of wise people).

One of the most mentioned pieces of advice was the absolute necessity of seeking out other people who have had experience in similar endeavors. Entrepreneurs do not have access to the resources of other business professionals who work in an established organization, such as finance, legal, sales, or human resource department. Therefore, they have to seek out people who can give them information about business related matters, such as accounting, legal, human resources, and sales/marketing:

Surround yourself with good people. (Craig, personal communication, August 28, 2009)

Seek counsel; seek counsel from people you trust. (Tim, personal communication, September 4, 2009)

Don't try to do everything yourself. (Skip, personal communication, September 3, 2009)

Listen to others. Many have already been in this situation. (Bill, personal communications, September 8, 2009)

Listen to your advisors. (Bruce, personal communication, September 16, 2009)

I see entrepreneurs trying to do all of that stuff themselves and that's where they get in trouble. (Kim, personal communication, September 1, 2009)

The [entrepreneur] should surround themselves with the best attorney, the best accountant, the best banker and the best financial planner, and wouldn't it make sense to take and meet once a year with this group and talk about the vision for the following year, make some longer term goals and begin to understand what we're going to accomplish because the role of the accountant is to minimize tax burdens; the role of the banker is to be able to cash flow and justify making a loan that that person might need for equipment, for an acquisition, whatever it may be. So everybody has to be on the same page. (Lee, personal communication, September 1, 2009)

So if I take a look at entrepreneurs – they need to surround themselves with staff members – get them multifaceted. (Gary, personal communication, September 10, 2009)

3. Financial (Cash is king).

The next piece of advice is that entrepreneurs must understand the many facets of finance in order to make necessary decisions. A lot of entrepreneurs do not understand all the expenses that go into starting a business:

It always costs more than you think. (Bruce, personal communication, September 16, 2009)

It's gonna cost twice as much and twice as long, or longer than you think. (Tim, personal communication, September 4, 2009)

The other important piece of financial advice is that entrepreneurs must have positive cash flow to pay the expenses of running an organization:

Cash is king. Everybody talks about P & Ls, cash is king, because you have to have the cash, one: to invest back into business, two: to grow your business, and three: to support yourself. (Kim, personal communication, September 1, 2009)

Be prepared for cash flow. (Lee, personal communication, September 1, 2009)

The other thing that entrepreneurs are not prepared for is cash calls. (Mike, personal communication, September 11, 2009)

Finally, the last piece of financial advice is to not start living a lavish lifestyle, even when sales start coming in:

Don't overspend, keep it under control. (Skip, personal communication, September 3, 2009)

So easy to get yourself lulled into the fact that 'I have a business, so therefore, I need three airplanes, and I need this, and I need that.' (Craig, personal communication, August 28, 2009)

When you start developing a business and you start growing, you better learn to be conservative, because if not, it'll get away from you. (Bill, personal communication, September 8, 2009)

4. Planning and execution (There's a difference between a wish and dream).

In order to turn an idea into a reality, entrepreneurs need to develop a plan and then execute it:

There's a difference between a wish and dream. A wish is when you hope something happens; a dream is when you take action to make something happen.

(Kim, personal communication, September 1, 2009)

Take time to develop a solid plan and execute it. (Bill, personal communications, September 8, 2009)

The whole notion of management is for that CEO to develop a vision 3 to 5 years out and then determine how we're going to get there and part of that deals with getting the resources you need to be successful. Taking enough time to develop that plan and executing a plan. (Lee, personal communication, September 1, 2009)

Entrepreneurs have ideas and entrepreneurs, good entrepreneurs, never quit the ideas. So, implementation of those ideas is critical to being successful as an entrepreneur, and if you can't implement your ideas, you'll never be an entrepreneur; all you'll be is somebody with ideas. (Bruce, personal communication, September 16, 2009)

Entrepreneurs also have to understand what factors define success:

Understand the critical factors that will make you successful. (Mike, personal communications, September 11, 2009)

You as an entrepreneur have to understand what the critical factors are that are going to make you successful. You need to monitor those critical factors as often as necessary to make decisions. If they start going astray, what do I do to bring

them back and having the guts to execute doing it? (Gary, personal communication, September 10, 2009)

There will be times of stagnation or decline:

There will always be periods of decline. The key is what you are going to do to get it back. (Skip, personal communication, September 3, 2009)

Three-year cycles of quick growth – it's a quick growth, it could be in one year and then it's flat and then you have to do something different to go to the next level. (Tim, personal communication, September 4, 2009)

5. Diversify (Diversity is key).

Too often, entrepreneurs put all of their hopes and dreams in a single product/service or customer base. However, successful entrepreneurs diversify their product/service and/or their customer base:

You have to be diversified, because you know if you gear up to grow based on one account, that can be a recipe for disaster. (Mike, personal communication, September 11, 2009)

Number one thing that I would stress is that you have to be diversified in whatever you're doing. (Tim, personal communication, September 4, 2009)

Advice? Make sure that you diversify. (Skip, personal communication, September 3, 2009)

You have to try different things, diversify. (Craig, personal communication, August 28, 2009)

I would just say diversify. Diversify. (Bruce, personal communication, September 16, 2009)

We're seeing companies that got stung, and now they're diversifying. (Lee, personal communication, September 1, 2009)

6. Sales (Sales is everything).

No organization can be successful without selling its product/service. Even if the idea is “brilliant,” it doesn’t mean anything if the entrepreneur can’t sell it:

I can't emphasize enough the importance of being able to sell your product or service. (Lee, personal communication, September 1, 2009)

So, you've got to learn how to do it [sell], or have somebody on your team who can do it, because nothing's gonna happen unless you do it. (Gary, personal communication, September 10, 2009)

Sales is everything – either the entrepreneur has to do it or hire someone to do it

invest in a sales process. (Tim, personal communication, September 4, 2009)

Don't sell what you can't deliver. (Mike, personal communication, September 11, 2009)

So, a lot of firms go out and they oversell and under deliver. (Kim, personal communication, September 1, 2009)

7. *Learn from mistakes (We're all going to make mistakes).*

Entrepreneurs are humans, and humans make mistakes. Every participant acknowledged that they made many mistakes as they started their organization and managed it. However, it is not the mistakes that lead to failure of an organization, but failing to learn from those mistakes:

You've got to go out and make something happen and when you're going out trying to make something happen, you're gonna make a mistake. (Gary, personal communication, September 10, 2009)

You can't sit on your hands. We're all going to make mistakes. (Mike, personal communication, September 11, 2009)

Keep pressing forward, but I think you have to try to control the damage. (Craig, personal communication, August 28, 2009)

It's how do you learn from those mistakes and leverage it going forward. (Skip, personal communication, September 3, 2009)

I think you've got to try it, make mistakes and learn from them. (Tim, personal communication, September 4, 2009)

8. *Basics (You have to start with the basics of product development and customer service).*

A successful start-up begins with proficiency in their industry:

I think people jump into entrepreneurship blind and for the wrong reasons and get into businesses they know nothing about, where they cannot add value. I tend to be a subject matter expert on the industries I jump into. And then I build off my reputation. (Kim, personal communication, September 1, 2009)

Next, entrepreneurs need to invest time and energy into developing a quality service/product and then selling it:

You need to start with good engineering. (Craig, personal communication, August 28, 2009)

It all begins with a philosophy that our customer service will be the best. Simply don't argue with a customer. If a customer needs something, take care of it. (Bill, personal communication, September 8, 2009)

Even after you have started selling, keep developing your products. (Gary, personal communication, September 10, 2009)

9. *Self-efficacy (Be honest with yourself; understand that you don't know everything).*

Successful entrepreneurs are aware of both their strengths and their weaknesses:

One of the worst things you could ever do is feel that you know it all, that you have a lock on smarts because your job is to facilitate, to be a constant catalyst, to continue to reach for that next plateau, that next star, and if you stop doing that, you're dead. (Lee, personal communication, September 1, 2009)

You can't be too proud to say, I don't know, but I'll find out some – I'll find out and get back to you or I'll go find somebody that knows and learn about that...how many people's ego gets in the way and entrepreneurs think that I'm the guy, I've got to have all the answers. (Mike, personal communication, September 11, 2009)

4.6 Summary

This chapter reviewed and summarized the data generation process, as well as the theme production process. It also presented the results of the interviews through the display of answers for each of the five research questions. For each question, primary

themes were identified and actual participants' responses were given to support the themes.

Chapter 5

Discussion and Recommendations

5.1 Overview of Study

Entrepreneurship has become a focus of numerous research studies over the last half of the twentieth century due to its importance to a nation's economic well-being. Even though it has become a major focus of leading business authorities, the failure rate of new entrepreneurial ventures remains high. In my review of the literature, I found that an area that is still relatively unexplored is how entrepreneurs learn and develop as their organization grows and matures. As someone who sees the value of learning on an organization's ability to perform, I became interested in the phenomenon of entrepreneurial learning.

The purpose of this study was to explore the learning and development challenges experienced by entrepreneurs as their organizations grow and mature. Further, I explored how some entrepreneurs identify these challenges and develop a plan to address them. For the purpose of this study, the learning and development challenges were examined in the context of organizational growth. Specifically, I looked for learning and development challenges faced by entrepreneurs as they go through the organizational growth phases of Start-up, Growth, Maturity, and Decline. I sought common knowledge/skills identified by the participants needed to make decisions as their organizations grow and mature. Further, I wanted to determine how these entrepreneurs recognized the need to learn

those knowledge/skills. Finally, I was curious about the meanings they attached to these experiences in offering advice to fellow entrepreneurs.

With this in mind, this study sought to answer to the following questions:

1. What are the most significant learning and development challenges entrepreneurs experience in each of the various phases of organizational growth (start-up, growth, maturity, and decline)?
2. What specific knowledge/skills are most important to entrepreneurs' success in each of the various phases?
3. What are the most valuable learning tools for entrepreneurs? Who/What helped?
4. How do entrepreneurs recognize the need for learning?
5. What advice can entrepreneurs offer fellow entrepreneurs about what and how to learn during the various phases?

It was vital for me to ensure that the data I collected would aid me in answering these five research questions. Therefore, a formal interview guide was used to make sure that I asked the same questions to all participants. The first few questions allowed the participant to become comfortable in the interview and start recollecting his entrepreneurial experiences. After the initial warm-up, the questions focused on participants' learning experiences through the organizational phases. In fact, these questions were mirror images of the actual research questions. By doing this, I was confident the interviews would produce the information needed to answer the research questions.

5.2 Data Analysis

In the previous chapter, the first two stages of the data analysis process as defined by Miles & Huberman (1994) were discussed and described. A detailed description of how I reduced the massive amount of data into a manageable sample was given, as well as how I displayed the data to best represent the information as it relates to the five research questions. In this chapter, the final stage, Drawing and Verifying Conclusions, is discussed. In this stage, meanings begin to be affixed to results. Regularities, patterns, explanations, possible configurations, casual flows, and propositions are noted (Miles & Huberman, 1994).

In chapter three, I discussed the methodological framework used in this study. Since I was exploring the learning experiences of entrepreneurs, I needed to gather information from people who had direct knowledge of the phenomena, and then analyze the data to either confirm existing knowledge, little as there may be, on entrepreneurial learning or add to it. To maximize the probability of success, I chose descriptive ethnography as my methodological framework. In this approach, I did not attempt to capture the entirety of the entrepreneurial learning phenomenon. Instead, I focused on a selected aspect of that phenomenon and described it in a way that could provide meaning to the larger phenomenon (Denzin, 1997). Therefore, I identified nine local entrepreneurs and solicited information on their entrepreneurial learning experiences. I asked them to describe these experiences in detail, thereby adding my insights to the evolving body of literature on this topic.

Further, a detailed explanation of the data analysis framework in this stage is vital for readers to have confidence in the trustworthiness of the findings (Arminio & Hultgren,

2002; Lincoln & Guba, 1985). Creswell (1998) suggested researchers employ at least two of the following procedures to enhance trustworthiness: prolonged engagement in the field, triangulation, panel review, negative case analysis, clarifying researcher bias, member checks, thick rich narrative descriptions, and artifact analysis.

In my proposal, I stated that I would employ three of these procedures: member checks, panel review, and artifact analysis. Looking back over the course of the study, it became clear that I needed to employ more than just those three. Due to my inexperience in conducting qualitative research, I did not fully comprehend which of the procedures would allow me to accurately and comprehensively investigate this phenomenon. So not only did I implement the three procedures outlined in the proposal, but I also accounted for any bias on my part by writing up my results with thick rich narrative descriptions that supported my themes and findings.

5.2.1 Prolonged engagement in the field.

One of the procedures suggested by Creswell (1998) that I did not utilize was prolonged engagement in the field. Since all nine of my participants had been in an entrepreneurial position for at least seven years, they had already experienced many of the learning challenges, especially those faced during the start-up and growth phases. It would have been counter-productive to spend time observing experiences that had already happened. Additionally, in light of the time allotted to complete a dissertation, I could not spend a prolonged period of time in the field observing entrepreneurs as they continued to learn new knowledge/skills. The drawback of not utilizing personal observation is that my study is primarily based on the participants' ability to accurately

recall their experiences and describe them in a manner that I can understand and recount to readers.

5.2.2 Clarifying researcher bias.

One of the first steps in assuring a trustworthy study is for the researcher to adopt a stance of neutrality with regard to the phenomena under study (Patton, 1990). I must be committed to explaining the world of entrepreneurial learning in as unbiased a manner as possible. As results are gathered and interpretation begins, I have to allow the process to work itself out and allow findings to emerge. As I conducted the literature review in preparation for conducting this study, I read several authors who gave insight and opinions on the various knowledge/skills needed by entrepreneurs to build their organization. I have also been exposed to discussions about how entrepreneurs learn. Therefore, before I collected any data, I was exposed to other's opinions on this study's focus of entrepreneurial learning. It would have been easy for me to develop a list of themes from this literature and then connect participants' answers to these predetermined categories. However, in order to produce a trustworthy study, I needed to control any potential bias. I could use this research to help me put the data into context; however, I could not allow it to prejudice my thinking. Therefore, as I conducted the initial steps of data analysis, I started with no predetermined categories or codes. I grouped similar answers together and created a heading consisting of a word or phrase. It was only then, after the clusters had been formed, that I utilized my prior knowledge of themes to help title the clusters.

5.2.3 Archival analysis.

Archival analysis provided me the chance to verify the historical/factual aspects of the information provided by participants. This archival material was collected via the Internet or material given to me by participants at our interviews. A limitation to this type of research is that the narrative of the participants may not be an exhaustive or even a thoroughly accurate representation of their experiences. The inaccurate descriptions could be caused by faulty re-collections or a premeditated altering of their true experiences so that others will see them in a favorable manner. Unfortunately, the archival material could not verify actual learning experiences. However, that material allowed me to verify the information on the timelines of start-up, as well as the type of business and products/services provided.

5.2.4 Member checks and panel review.

In order to control bias, I utilized the practices of member checking and panel review. After each interview was transcribed, I developed a summary sheet for each participant that listed the relevant comments for each question. These summaries contained exact quotes from the participant. At this point, I did not conduct any clustering of information, nor did I present any themes. I wanted to make sure that I accurately and completely presented the participant's experience and opinions. The interview summaries were e-mailed to the participants. The participants were asked to read over the summary and make corrections, if necessary. All nine participants agreed that I had accurately captured their responses. In fact, only one participant, Lee, had any suggestions for additions. He added another learning tool to research question #3.

Once the member checking process was completed, the data were analyzed again and potential themes identified. The next step to control bias was to utilize a panel review. Once all of the interviews were completed, I developed a summary sheet for each research question. I listed relevant quotes that pertained to each research question. I also developed a list of possible themes for each research question. There was a total of 33 possible themes for the five research questions. I sent the summaries to Drs. Longenecker and Ariss for review. During our meeting, they reviewed the summaries again. After the review of the summaries, I presented the 33 possible themes. They compared the themes with the summaries. They agreed on 31 of the themes. They suggested that I combine two of the themes due to their similarity. They also suggested that I drop one of the themes due to inadequate support from the transcripts. Therefore, I ended up with 32 primary themes.

With member checking and panel review completed, I had confidence that the reduced data were an accurate representation of the experiences of the nine participants.

5.2.5 Thick rich narrative description.

The final procedure utilized to produce a trustworthy study was to provide thick rich description of the phenomenon under investigation, as well as the research methods undertaken. In this step, detailed descriptions of participants and their experiences, along with numerous verbatim quotations, provide authenticity and support for the analysis and interpretations (Brewer, 2000 and Fetterman, 1998). By doing this, two things occur. First, since theories on entrepreneurial learning are just emerging, I am able to provide in-depth descriptions of how my participants learned so that generalizations are easier to

make. Also, thick rich descriptions help the reader understand my thought process as to why I decided on my themes and interpretations. Additionally, detailed descriptions of research methods and strategies are given so that anyone interested in transferability will have a solid framework for comparison (Creswell, 2007).

5.3 Discussion of the Findings

This section presents the major findings from the study. These findings are discussed as they pertain to the participants' demographics/characteristics and to the five research questions.

5.3.1 Participant demographics and characteristics.

The participants selected provided a wide array of entrepreneurial experiences. Their years of experience ranged from seven to 28. All of the participants had enough experience to answer the questions and reminisce about their experience. However, only one participant, Kim, had actually experienced a formal Decline phase. Because of this, I collected little information on the learning challenges in the Decline phase.

An interesting issue is that three of the participants did not even consider themselves as entrepreneurs. In their minds, an entrepreneur is someone who is very creative and continually develops new products/services. They didn't think of themselves in that manner. However, once I showed them the definition of an entrepreneur, "an individual who, independently or together with a partner or founding team, establishes and manages a business with the principal objective of profit and growth, demonstrates innovative

behavior, and employs strategic management practices” (Carland, Hoy, Boulton, & Carland, 1984), they quickly agreed that they were entrepreneurs.

5.3.2 Research Question #1: What are the most significant learning and development challenges entrepreneurs experience in each of the various phases of organizational growth (start-up, growth, maturity, and decline)?

All of the participants had difficulty in assigning learning challenges to a specific phase, except for the Start-up phase. However, once participants started thinking about the growth and maturity phase, they had difficulty keeping those two phases separate. For them, there really wasn't a clear distinction between these phases. The majority of the participants felt that their organizations moved back and forth between these two phases. They had periods of growth and then stability (maturity); but then their organization would experience a new period of growth.

A possible reason for this struggle is that they did not really understand the phases of Growth and Maturity. Even though I provided a description of the four phases, it is possible that they did not grasp the concept of the phases. From their perspective, they could have defined the Growth phase as any period of time that sales increase and Maturity phase as any period of time in which sales leveled off.

Only one of the nine participants acknowledged they had experienced a formal Decline phase. Therefore, the interviews generated a small amount of data regarding this phase. Additionally, since only one participant had experienced learning challenges from this phase, it was impossible to compare/contrast his experiences with other participants' experiences. Therefore, the confidence of taking his experiences in this phase and

drawing accurate conclusions is low. I would not know if his experiences are similar to other entrepreneurs facing the Decline phase or if they would be considered outliers.

5.3.2.1 Summary of findings.

For research question #1, ten primary themes of learning challenges emerged. The ten themes were: Intra-personal challenges, Financials, Business Planning and Execution, Managing People, Work Responsibilities and Delegation, Building Infra-structure, Customer Connectivity, Product/Service Development, Managing Growth, and Diversification.

5.3.2.2 Finding #1: Organizational growth does not follow a linear path.

In my review of the literature, I was introduced to the varying opinions on whether organizations follow a specific linear growth path. Originally, the research suggested that organizations followed their own type of life cycle from birth (start-up) to death (stop doing business). Recently, however, research has moved away from these traditional linear models (Churchill & Lewis, 1983; Levie & Hay, 1998; Vyakarnam et al., 2000; and Rutherford et al., 2003). These studies suggest that organizations do not necessarily follow a linear growth path. Instead, they experience various phases of organizational growth and that organizations could move back and forth through these phases. My study's findings seem to confirm this. The participants acknowledged their organizations went through numerous periods of growth, stability, and decline. This could account for my participants having difficulty in identifying learning challenges in the middle two phases of Growth and Stability. Their organizations moved back and forth between these

two phases, and this could have caused the confusion by the participants as they recollected their experiences.

With this in mind, it might not be necessary to focus on the linkage of learning challenges with specific phases, but rather, focus on the reoccurring learning challenges as their organization matures. As I went through the categories of learning challenges faced by my participants, I was reminded of the study conducted by Phelps, et al. (2007) in which they identified six categories of tipping points. These tipping points were challenges entrepreneurs faced as they grew their organization. Successful movement from phase to phase rested on their ability to acquire new knowledge to successfully overcome the challenge. The categories are: People Management, Strategic Orientation, Formalization of Systems, New Market Entry, Obtaining Finance, and Operational Improvement.

In looking at the findings from this study, many of the learning challenges expressed by the participants matched up with these tipping points. One match is the learning challenge theme of Managing People and the tipping point of People Management. The required knowledge/skills for these two categories are similar. These knowledge/skills include hiring, performance management, reward and recognition, and communication.

Another match deals with financial issues. One of the tipping points in the article dealt with how entrepreneurs found different sources of funding beyond their own. In my study, many of the participants commented on the need to understand and find sources of financial funding. However, my study found that the financial challenge went beyond fund sourcing. It also included the day-to-day understanding of the finances of the organization.

The theme of Diversification is similar to the tipping points of Strategic Orientation and New Market Entry. Participants discussed the need to diversify their product/service or customer base. This is similar to the tipping points of developing a more broadly focused strategy and the need to utilize or revise a current business model to attract new business.

The themes of Managing Growth and Building Infra-structure are similar to two other tipping points, Formalization of Systems and Operational Improvement. These tipping points deal with formalizing systems/processes in order to deal with a more complex organizational environment that comes with growth. After the initial start-up and growth, entrepreneurs face the realization that if they are to increase revenue, they have to improve processes so that production increases and cost decreases.

5.3.2.3 Finding #2: Focus early and often on intra-personal challenges.

One of the themes in this study that I have not encountered in other studies is the Intra-personal Challenges faced by entrepreneurs. A lot of attention has been placed on the development of the product/service and the building of the infra-structure of the new venture. However, we cannot forget that at the heart of all entrepreneurial ventures are the entrepreneurs themselves. The stressors for entrepreneurs will vary based on their personality and situation. However, these stressors must be addressed, or else they might become a hindrance to their ability to focus on building the organizations.

5.3.3 Research Question #2: What specific knowledge/skills are most important to entrepreneurs' success in each of the various phases?

The purpose of this question was to determine the specific knowledge/skills the participants had to acquire to overcome their learning challenges. My intention was to identify a specific knowledge/skill for each learning challenge in each phase. Even though participants had no problem identifying specific knowledge/skills, they did struggle to attach them to one specific learning challenge. Most participants felt that a specific knowledge/skill was needed to overcome several of their learning challenges.

5.3.3.1 Summary of findings.

For research question #2, six themes emerged regarding knowledge/skills necessary to overcome the various learning challenges. These six themes are: Business, Customer, People, Financial, Product/Service Development, and Personal.

5.3.3.2 Finding #3: Knowledge/skills needed can help or hinder entrepreneurs.

One of the interesting issues that emerged from the data is that knowledge/skills necessary for success at the beginning of their venture might hinder its future success. The majority of the participants felt that they had to “wear many hats” at start-up and had to perform any and all tasks. These tasks range from product development and sales to answering phones and taking out the trash. However, once their organization started to grow, they had to pull back and delegate certain tasks. Several of the participants stressed that many of their fellow entrepreneurs failed because they were unwilling to let go of these tasks. Therefore, they spent too much time performing more menial tasks

versus higher-level tasks that are needed to take the organization to the next level, such as product/service enhancements, customer service or building infra-structure.

5.3.4 Research Question #3: What are the most valuable learning tools for entrepreneurs? Who/What helped?

The purpose of this question was to identify the various learning tools that entrepreneurs utilized to learn the knowledge/skills that helped them overcome their learning challenges.

5.3.4.1 Summary of findings.

For research question #3, five themes of learning tools emerged: Network of People, On-going Learning Experiences, Formal and Informal Education, Prior Experience, and Purchasing Knowledge and Expertise.

5.3.4.2 Finding #4: Multiple sources of help.

Even though many entrepreneurs feel isolated and “on their own” when they are starting up a business, there are many resources available to them if they just seek them out. Additionally, a lot of these resources are free or relatively cheap. One of the common themes from the participants is that cash flow was critical and many entrepreneurs do not have extra money to spend. Therefore, resources that are free or inexpensive are important. These sources include public agencies, such as Chamber of Commerce, Service Corps Of Retired Executives (SCORE), University of Toledo’s

Center for Family Business, the public library, etc. They also include informal networks such as friends, previous colleagues, and fellow entrepreneurs.

5.3.4.3 Finding #5: Learning tools need to be just-in-time vs. a pre-prescribed format.

Participants indicated that most of their learning was done at the time that they faced a particular learning challenge. The majority indicated that they utilized a “just-in-time” learning strategy. That is, they learned a knowledge/skill just in time to solve a particular learning challenge. This finding brings to light the need to rethink traditional entrepreneurial education. The number of colleges and universities offering courses related to entrepreneurship has grown from a few in the 1970s to close to 1,600 (Katz, 2003). Many such educational formats follow the traditional higher education model (Fayolle & Gailly; Katz, 2008; and Kuratko, 2005). That is, the program follows a pre-determined course of study that all students must follow. In this format, entrepreneurs are exposed to the knowledge/skill needed for entrepreneurs at a pre-determined time-frame. It is not geared for the entrepreneur to obtain the knowledge/skill at the time they actually face the learning challenge in the course of their organizational growth. This finding implies that the academic community should offer non-traditional formats that would aid the entrepreneur in obtaining knowledge/skill at the precise time when the entrepreneur really needs it: when they are confronted with the learning challenge.

5.3.4.4 Finding #6: Learning tools for early learning challenges tend to be more formal and defined.

It seems that a lot of the learning tools at the beginning phases are more “pre-set” vehicles, such as books, classes, and the Internet, whereas the tools in the later phases are more informal (peers, mentors, networking, etc).

5.3.4.5 Finding #7: Entrepreneurs learn through experience - not just professional experiences, but personal ones as well.

All of the participants acknowledged that they relied on previous and on-going experiences to learn how to overcome learning challenges faced as they started-up and grew their organizations. This finding confirms previous research that showed entrepreneurs learn through experience (Cope & Watts, 2000; Deakin & Freel, 1998; Rae & Carswell, 2000; and Pittaway & Cope, 2007). Interestingly, participants not only utilized previous business experiences, but they utilized personal experiences as well. For example, several of the participants indicated that they had taken on leadership roles in their personal lives, such as sitting on boards of local charitable organizations or taking on leadership roles with various social/religious organizations. They acquired knowledge/skills on organization, financial, leadership, and communication areas. One way that many entrepreneurs learned how to run their business was by sitting on other organizations’ boards. Through that experience, they learned how others conducted themselves and made decisions. Then, in turn, they applied those knowledge/skills to their learning challenges in their own organizations.

5.3.5 Research Question #4: How do entrepreneurs recognize the need for learning?

This question was really the main focus of my study. I wanted to find out how entrepreneurs recognized the need to learn a new skill. Because entrepreneurs are typically on their own when they start out, I was curious to find out how they overcome “not knowing what they don’t know.” They do not have bosses or established training departments that will hold them accountable for acquiring new knowledge/skills. I wanted to find out from the participants how they concluded that there were performance deficiencies and that they needed to acquire new knowledge/skill to overcome those deficiencies.

5.3.5.1 Summary of Findings.

For research question #4, two themes emerged about how participants recognized the need for learning. Participants recognized this need through Intrinsic Motivational factors and Extrinsic Motivational factors.

5.3.5.2 Finding #8: Entrepreneurs often seek help initially, but hesitate to do so once their organization is “up and running.”

It seems that entrepreneurs initially seek assistance, not so much because they see the value of the assistance, but because they have to do it in order to receive outside funding. Several of the participants reported they initially sought formal assistance from external sources (Chamber of Commerce, SCORE, UT Center for Family Business, etc.) to develop a solid business plan. However, these same participants reported that when faced with challenges later in their organizations growth, they did not formally seek help

from external sources. When asked why, they replied that at the beginning, funding sources (banks and other capital investors) required that they seek this assistance. However, when they faced challenges later on, there was no requirement for them to seek any assistance. These entrepreneurs admitted that they and other entrepreneurs are very self-confident. This can aid them in taking the risks of starting their own organization, but it could also get in the way of seeking help from others.

In conjunction with this finding, I also found that there are multiple sources of formal assistance for entrepreneurs at start-up. Yet, there are not as many sources of formal assistance to help them in the later phases of organizational growth. Why is that? One of the participants, Bill, said that they don't ask for it. Why don't they ask for it? Why are they willing to ask for help at the start, but not later on? One reason is that in order for them to get financing, lending institutions require certain things to be in place, e.g., a business plan. Could there be some way to encourage entrepreneurs to seek help in later phases?

Bill discussed this struggle in his interview. He not only had experience as an entrepreneur but also worked for an organization that assisted entrepreneurs. He described why entrepreneurs seek help initially:

When we did get them [entrepreneurs] as clients, they were here because they wanted to expand their business and they needed to have some financial documentation done, financial projections. The banks required that for the application process. (personal communications, September 8, 2009)

However, he also described the struggle to get entrepreneurs to seek help later on:

It is still difficult to get the business owner to call us. We renegotiated leases. We renegotiated loans. We have turned businesses around by helping them to understand their costs and cutting those costs. We've done marketing surveys with the businesses. We've done a variety of different things at little or no cost to the business. (personal communications, September 8, 2009)

He shared a story with me to illustrate this frustration:

A gentleman finally called us last month, early, middle of June, who had heard this for 8 months and he was so upside down that he finally said, "I guess I'll call you guys." Now, whether we can save him, I don't know, but he knew that our services were available. He has heard me, I could never give specifics, I could never say of a particular business what I'm doing, but he had heard me talk about businesses very similar to his, but he never reached out to try to ask for the help. (personal communications, September, 8, 2009)

I wanted to examine this further. Below is our exchange about why he thought entrepreneurs seek help initially, but not later on.

Researcher: So why do you think that is? Why is that?

Bill: Because it's theirs. They've created it. It's part of a crumbling experience that they're saying that they no longer know what's wrong with their own business. They're saying they can't fix their own business and that they need somebody to help them.

Researcher: So why would a business owner, in your opinion, be willing to ask for help up front, but not later on?

Bill: Because the banks won't give them money without our support. It's much more of a requirement at start-up, because the SBA has a huge amount of documentation that has to be done. The banks have all sorts of expectations of business plan and financial protections and lot of things that most of the business owners are going, "I don't understand this part of this. All I know is I can, I can run the sweeper in here. I know how to run the sweeper here. I can make your floor the cleanest floor in the world. I do not know what the hell these bankers are talking about. Get me into business!" So we provide that side of it. They get into business. As long as they pay their bill, the bank doesn't have any problem with 'em.

Researcher: Sure.

Bill: Well, when the bank starts to tell them, "Did you forget about those people that helped you at the beginning? They're still there." That's when they call us again. You know, a lot of them have been bank referrals that say, "Mr. Business Owner, you

screwed up somewhere along the line. We don't know where you screwed up along the line. We don't have the resources, we, the bank don't have the resources to do this, but the SBDC does. Go call them." Now, once again, that business owner probably didn't wanna make that call, but when their banker says, "Make the call or I'm calling your loan..." they'll call us. (personal communications, September 8, 2009)

5.3.5.3 Finding #9: Entrepreneurs have a series of planned “process checks” built into their plan.

Several of the participants credited periods of “stepping back and analyzing what was happening” as a major reason why they avoided many poor or potentially damaging decisions as they grew their organization. They assessed what was going right and what needed to be adjusted. Often, they would utilize their mentors or peer networks for advice. They found that just because something had worked in the past, and maybe even currently, didn't mean that it would continue to work.

5.3.5.4 Finding#10: Feedback is a critical vehicle for recognizing the need to learn.

One way that entrepreneurs recognize the need to learn is that others tell them that they need to learn. Feedback is vital for their success. This feedback comes from customers, mentors, peers, employees, banks, etc. Successful entrepreneurs understand this and surround themselves with quality people. This is especially true if the entrepreneur does not have prior experience/knowledge of starting up and running an

organization. Thus, the entrepreneur does not even know that he doesn't know. They have no internal voice that lets them know that they are making a bad decision. Feedback from people who "have been there, done that" allows them to avoid some of the common mistakes.

5.3.6 Research Question #5: What advice can entrepreneurs offer fellow entrepreneurs about what and how to learn during the various phases?

The final question allowed participants a chance to give general pieces of advice for fellow entrepreneurs. This allowed a more open-ended format for participants to give relevant information on this topic. It also gave me a chance to validate their answers to research questions #1-4 by comparing their advice on lessons learned with their actual experiences.

5.3.6.1 Summary of findings.

For research question #5, nine pieces of advice for fellow entrepreneurs emerged: Effort, Listen, Financial, Planning and Execution, Diversify, Sales, Learn from Mistakes, Basics, and Self-Efficacy. In the previous sections in this chapter, I have discussed findings that dealt with many of the nine pieces of advice. However, one piece of advice that has not been previously discussed is the need to diversify.

5.3.6.2 Finding #11: Diversify.

Many entrepreneurs discussed the need to not "put all of their eggs in one basket." Many entrepreneurs have initial success, but don't plan for unexpected forces to occur. It

could be a poor economy, customers having declining business, or the product/service becoming less marketable. Many times, revenue declines even though the entrepreneur and their organization didn't do anything wrong. What entrepreneurs have to learn is that even if they did everything the "right way," their customer/client could have declining business and thus hurt them as well. They might have a great relationship with a particular person at their customer's company and that person leaves. The solid relationship with the customer might have to be developed all over again. Successful entrepreneurs realize that they cannot place their hopes and dreams all into one product/service or one type of customer base. They have to diversify. They are always looking for new ways to market their ideas.

5.3.6.3 Finding #12: Not only do entrepreneurs "outgrow" processes and procedures, they can also outgrow their advisors as well.

As entrepreneurs' organizations grow, they might need to change advisors from time to time. The advisors who had great information about how to start-up an organization might not be the best person to advise on managing fast growth. They need to continually seek out advisors who can help them with their immediate concerns. The sources of information could also change. For example, at start-up, bankers, accountants, attorneys, and industry experts would be great sources of assistance. However, during growth, they might want to seek out peers who have gone through the struggles of growth.

One possible reason for failure is when an entrepreneur "outgrows" his mentors and advisors, but continues to utilize them in order not to hurt the relationship. This is similar

to problems with family-run businesses where sub-par performance is not dealt with to avoid hurting relationships.

5.3.6.4 Finding #13: Irony of skill set and length of time to recover a mistake.

One interesting question from this study is whether it is better for someone to start their entrepreneurial venture early in their career or later. The older entrepreneurs are when they start their organizations, the riskier it is in terms of recouping financial losses before retirement. Younger entrepreneurs have a longer time to put their financial health back together before retirement. However, older entrepreneurs will tend to have more experience/skill to bring to the business. On average, they would have more professional and personal experiences to leverage. The opposite is typically true for younger entrepreneurs.

5.3.6.5 Finding #14: Entrepreneurs must be honest with themselves.

A common theme was that successful entrepreneurs can admit that they don't know something and then take action to acquire that knowledge/skill. Even if they externally act like they know something, they have to at least be honest with themselves. Once they can do this, then they can seek out that knowledge/skill.

5.4 Recommendations

5.4.1 For entrepreneurs.

1. Surround yourself with a network of people. This network includes professionals (attorney, accountant, banker, consultants, etc), peers (to bounce ideas off and vent), staff and board of advisors (feedback in terms of strengths and weaknesses), and customers (they will really tell you how you are doing).
Remember that as your organization grows and matures you might have to change who is in your network.
2. Schedule regular “organizational health check-ups.” Just like getting regular check-ups for our physical health, entrepreneurs need to do it for their organizations’ health.
3. You need more than the functional knowledge/skills on running a business. You also need to know how to recognize the need to learn something new and seek out the resources to help you with acquiring the new information.
4. There is a lot of help out there for you. Many of them are relatively inexpensive or even free. Don’t let pride get in your way of asking for help.
5. Find leadership development opportunities in other companies or even in non-profit organizations. You can observe how others operate. Don’t “reinvent the wheel.”
6. Be ready for sporadic and repeatable periods of growth, stability, and decline. Make sure you have a plan for each of these periods.

7. Don't forget to take care of yourself. You will be spending a lot of time and effort in building your organization. Take time to relax and re-energize.

5.4.2 For learning solution providers.

1. Colleges/universities need to offer courses on how to recognize the need to learn and how to find the necessary learning.
2. Don't get caught up in trying to identify knowledge/skills for each "phase" in the organizational growth process. Identify the various challenges (tipping points) and develop learning solutions for them.
3. Academic institutions and local business development institutions (SCORE, Center for Family Business, Chamber of Commerce) should develop partnerships so that entrepreneurs can utilize learning solutions from a formal program (2-4 year program) and/or from just-in-time solutions (when the entrepreneur needs the solution).
4. Academic institutions should include simulations, internships, mentoring programs, and other "hands-on" experiences in the regular classroom courses.

5.4.3 For lending institutions.

1. Lenders (banks, venture capitalists, etc) should consider setting up a process that mandates entrepreneurs seek formal assistance through-out their relationship, meaning not only at start-up, but throughout the length of the loan. Research

shows that 33% of start-ups fail in the first 2 years, 50% fail within 4 years, and 60% fail within 6 years (Small Business, 2002). Not every entrepreneur acquires external funding. However, a large percentage does seek some type of external funding. If a system could be developed that made it a requirement to seek assistance until the loan is repaid, the failure rate may decline.

2. Administer assessments to identify an entrepreneur's strengths and weaknesses and then develop an individualized learning plan to help them acquire necessary knowledge or skill. Topics could include financial, people management, business plan development, customer focus, etc. Another recommendation is for lending institutions to use assessment results as one criterion for approving loans.
3. Mandate regular "organizational health check-ups." These check-ups should not be solely focused on finances. However, the check-up needs to be driven by a balanced scorecard approach. Key variables need to be identified that are directly tied into performance.

5.4.4 For future research.

1. Replicate this study with a larger number of participants. Target a sample size of 20-30 entrepreneurs. From this, identify variables/constructs pertaining to the following: learning and development challenges, knowledge/skills needed to overcome these challenges, learning tools utilized to acquire the knowledge/skill, and ways of recognizing the need to learn.

2. When replicating this study, add one additional research question: “What are the barriers to learning the necessary knowledge/skills?”
3. From these variables, construct an instrument (questionnaire or survey) and send to hundreds of entrepreneurs so that statistical analysis can be completed.
4. Conduct a longitudinal study with a sample of beginning entrepreneurs. One group of entrepreneurs will have completed a bachelor level program in entrepreneurship, while the other group will have not. The study would follow them as they started their organization and grew it. It would investigate how a formal education program had or had not been beneficial.
5. If many entrepreneurs learn through actual experience, then a study needs to investigate the extent to which individuals can prepare for entrepreneurship and learn the necessary knowledge/skills prior to start-up.

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Appendix A

Introductory Letter

Participant

Title

Name of Organization

Address

Dear Mr./Ms. _____

Thank you for agreeing to meet with me. As Clint may have told you, I am conducting a study as part of my doctoral program in Curriculum & Instruction: Educational Media, majoring in Educational Technology/Human Performance Technology at The University of Toledo. The research focuses on the challenges that entrepreneurs face as they manage and grow their organizations and what they had to learn to address these challenges. Entrepreneurship education is growing dramatically in the United States and throughout the world. The purpose of my study is to build on that body of knowledge.

Your participation in this research is completely voluntary and will have no effect on any relationship you have with the University of Toledo. I will make every effort to prevent anyone who is not on the research team from knowing that you provided this information, or what the information is.

Your participation in this study will entail at least two face-to-face interviews. Both interviews will last about an hour. During the interview, we will talk about your experiences, what knowledge/skills you learned in order to address various challenges, and the resources you utilized to support your learning. At the end of the interview, we

will set up the date for our second interview, hopefully, within two to three weeks. A couple of days before our second meeting, I will send a summary of our first conversation to you for your review. During the second interview, we will discuss your reactions to the summary and explore any unanswered questions.

I fully understand the value of your time and greatly appreciate your participation. In recognition of your contributions to the study, you will receive an executive summary of the study findings. I would also be happy to discuss the research outcomes in detail.

Thank you, again, for your willingness to participate. I look forward to our meeting.

Best regards,

Brian Chupp

Doctoral Candidate

Curriculum & Instruction: Educational Media

Appendix B

Interview Guide

Name: _____ Date: _____

Organization: _____

- Discuss the overall purpose of the research study as well as the interview approach.
- Have participant read and sign the Informed Consent form.
- Ask permission to audiotape.
- Give participant the hand-out with brief descriptions of each of the four phases.
- Prior to each question, give the participant the card with a printout of the question.
- Read each question verbatim

Preliminary information

- 1) a. Have you ever participated in a research study before?
b. What was your experience?
- 2) a. Would you consider yourself an entrepreneur?
b. In your opinion, what is a successful entrepreneur?
- 3) What led you to start your organization?
- 4) Tell me how you built your business?

Entrepreneurial Learning

A.

Start-up phase

1. What were the most significant learning and development challenges you faced at this phase?
2. In your experience, what specific knowledge/skills were most important to your success at this phase?
3. What were the most valuable learning tools for you? Who/What helped?
4. How did you recognize the need for learning?

Growth phase

1. What were the most significant learning and development challenges you faced at this phase?
2. In your experience, what specific knowledge/skills were most important to your success at this phase?
3. What were the most valuable learning tools for you? Who/What helped?
4. How did you recognize the need for learning?

Maturity phase

1. What were the most significant learning and development challenges you faced at this phase?
2. In your experience, what specific knowledge/skills were most important to your success at this phase?
3. What were the most valuable learning tools for you? Who/What helped?
4. How did you recognize the need for learning?

Decline phase

1. What were the most significant learning and development challenges you faced at this phase?
2. In your experience, what specific knowledge/skills were most important to your success at this phase?
3. What were the most valuable learning tools for you? Who/What helped?
4. How did you recognize the need for learning?

B.

What advice would you offer to fellow entrepreneurs about what and how to learn during the various phases?

C.

Is there anything else that you think is important regarding this topic that we haven't discussed today?

Appendix C

Informed Consent Form



THE UNIVERSITY OF
TOLEDO
1872

ADULT RESEARCH SUBJECT - INFORMED CONSENT FORM

An Analysis of the Learning Processes of Successful Entrepreneurs

Principal Investigator: Dr. Robert Sullivan, Professor of Ed. Tech, 419-530-2837
Brian Chupp, Doctoral Candidate, 419-377-4984

Purpose: You are invited to participate in the research project entitled, *An Analysis of the Learning Processes of Successful Entrepreneurs*, which is being conducted at the University of Toledo under the direction of Dr. Robert Sullivan. The purpose of this study is find out the challenges that entrepreneurs face as they manage and grow their organizations and what they had to learn to address these challenges.

Description of Procedures: This research will entail two face-to-face interviews at a place and time convenient to the participant. Your participation will take about 60-90 min. for each interview.

“Permission to record: Will you permit the researcher to audio record during the interviews?”

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	_____
	_____			Initial
	Here			

After you have completed your participation, the research team will debrief you about the data, theory and research area under study and answer any questions you may have about the research.

Potential Risks: There are minimal risks to participation in this study, including loss of confidentiality.

Potential Benefits: The only direct benefit to you if you participate in this research may be that you will learn about the challenges entrepreneurs face and how they learn to deal with them. Others may benefit by learning about the results of this research.

Confidentiality: The researchers will make every effort to prevent anyone who is not on the research team from knowing that you provided this information, or what that information is. The consent forms with signatures will be kept separate from responses, which will not include names and which will be presented to others only when combined with other responses. Although we will make every effort to protect your confidentiality, there is a low risk that this might be breached.

Voluntary Participation: Your refusal to participate in this study will involve no penalty or loss of benefits to which you are otherwise entitled and will not affect your relationship with The University of Toledo. In addition, you may discontinue participation at any time without any penalty or loss of benefits.

Contact Information: Before you decide to accept this invitation to take part in this study, you may ask any questions that you might have. If you have any questions at any time before, during or after your participation, you should contact a member of the research team (Dr. Robert Sullivan, 419-530-2837 or Brian Chupp, 419-377-4984). If you have questions beyond those answered by the research team or your rights as a research subject or research-related injuries, please feel free to contact the Chairperson of the SBE Institutional Review Board, Dr. Barbara Chesney, in the Office of Research on the main campus at (419) 530-2844.

Before you sign this form, please ask any questions on any aspect of this study that is unclear to you. You may take as much time as necessary to think it over.

SIGNATURE SECTION – Please read carefully

You are making a decision whether or not to participate in this research study. Your signature indicates that you have read the information provided above, you have had all your questions answered, and you have decided to take part in this research.

The date you sign this document to enroll in this study, that is, today's date must fall between the dates indicated at the bottom of the page.

_____ Name of Subject (please print)	_____ Signature	_____ Date
_____ Name of Person Obtaining Consent	_____ Signature	_____ Date

**THE UNIVERSITY OF TOLEDO
SOCIAL, BEHAVIORAL & EDUCATIONAL INSTITUTIONAL REVIEW BOARD**

The research project described in this consent form and the form itself have been reviewed and approved by the University of Toledo Social, Behavioral & Educational Review Board (SBE IRB) for the period of time specified below.

SBE IRB # : _____ Approved Number of Subjects: _____

Project Start Date: _____ Project Expiration Date: _____

Barbara Chesney, Ph.D., Chair
UT Social Behavioral & Educational IRB

Date: _____

Appendix D

Transcription Protocol

The transcriptions of the audiotapes need to meet the following guidelines:

1. The format of the transcripts need to be:
 - Times New Roman 12-point font
 - One-inch top, bottom, right, and left margins
 - Triple-space the lines so that notes can be written between the lines
2. Transcripts need to include the following information at the top of the document:
 - Tape #:
 - Date:
 - Name of Transcriber:
 - Number of pages:
3. Identify the comments or questions of the researcher with a R:
Identify the comments or questions of the participant with a P:
4. Transcribe all tapes verbatim
5. Proofread and check the accuracy of all transcripts against the audiotape
6. The turn-around time needs to be 3-5 days
7. The transcripts will be done in Word format and saved on a CD
8. Sensitive information will be kept confidential and/or anonymous
9. Audiotapes will be given back to the researcher

Appendix E

Data Collection Process

Interview One:

1. The first interview was conducted at each entrepreneur's business location (see Appendix A).
2. The first interview provided an opportunity to develop rapport between the researcher and the participant. The interview was aimed at gaining information about the participant's current engagements as an entrepreneur. It helped the researcher understand the context in which the entrepreneur works, and how the entrepreneur developed the requisite capabilities and knowledge.
3. At the end of the interview, participants were notified that a follow-up, phone interview would occur within three to four weeks later.

Between Interviews One and Two:

1. Within two to three days after the interview, the audiotape was given to a trained, court reporter to transcribe the audiotapes (see Appendix D).
2. Within one to two days after the interview, I typed up my field notes from the interview.

3. After receiving the completed transcripts, I listened to the audiotape of the interview and compared it to the transcription. Any corrections were made at that time.
4. I listened to the audiotape for a second time. During this review, I wrote notes in the margin of the transcript, connecting the verbal content with any relevant comments from the field notes.
5. I conducted a preliminary analysis of the interview. I examined the data and pulled out the concepts and themes that described the world of the entrepreneurs. I typed up a summary of the interview transcript. Two to three days before the second interview, I e-mailed the summary to the participant.

Interview Two:

1. The second interview was conducted, via phone. The focus of this interview was on participant's response to the summary of Interview One. It also allowed for clarification of any misunderstandings. Finally, this interview allowed me to ask additional questions to aid in focusing on central themes.
2. Every participant read the summary of their interview and agreed that the summary was an accurate representation of their responses to the questions. No participant offered any additional information. Participants were thanked for their participation and were informed that they would be contacted if further assistance was needed.

Post Interview Two:

1. At this point, the researcher decided that saturation had occurred. The saturation point is reached when the researcher has the information needed to answer the research questions in detail to provide an accurate and clear portrayal of the interviewee's experience. In other words, the researcher believed that additional interviews would not elicit new information.

Post Interview Process

1. Once all of the interviews were completed, I combined all of the participants' comments for each question. Summary sheets were developed for each question. At the top of each summary sheet, the particular question was printed as a heading. Under the heading, all of the comments that pertain to that question were listed. The summary sheets were then sent to Drs. Longenecker and Ariss for the panel review.

Appendix F

Summary of Gary's Interview

Research Question # 1: What were the most significant learning and development challenges you faced at each of the various phases of organizational growth (start-up, growth, maturity, and decline)?

- Learned that everything revolved around sales and marketing
- Recognizing the importance of being able to go out and sell your product. You could have all the greatest ideas in the world and a good business plan, but if you can't sell it to somebody... It's not going to do you any good
- The importance of understanding the numbers
- Understanding all of the cost of doing business, understanding what our manufacturing costs were going to be, understanding what our overhead was going to be and really managing to those numbers and focusing on them
- In the start-up phase, you've got to be committed. You do whatever you've got to do and take whatever amount of time... you don't have the resources to hire a lot of people to do a lot of stuff
- Later on, you have to transition your business from you doing everything to start getting people who can do things. Biggest challenge is developing people. Getting people to understand your visions as to what we're doing and why we're doing
- As the business grows, the business gets more complex
- When [you] start the business you don't have any levels to the business, it is simple and as you grow and you start hiring people, you have to manage the people; you have to set-up the processes... Now all of a sudden, you've got to set processes up, teach people what to do, and it just gets more complicated
- When you start to grow and start to recognize some success, sometimes you can get a little comfortable and you can take the edge off a little bit
- The way in which you manage the business becomes completely different (he is referring to the growth phase)

- How to get the right people and give them the responsibility and the accountability. Give them the resources that they need, get them to understand what the mission is, and then let them go out and do their job without a micromanaging them (he is referring to the maturity stage)
- I find it very difficult to, to let go and get out of the day-to-day of the business

Research Question #2: What specific knowledge/skills were most important to you at each of the various phases of organizational growth (start-up, growth, maturity, and decline)?

- Time management
- Selling and marketing skills - identify who a prospective customer is. You've got to be able to create a compelling story to that customer as to why they should buy your product. You've got to be able to build trust with that customer
- Initially, instilling a level of trust and confidence in people
- Basic accounting and finance skills - understanding cash flow and understanding the importance of collecting on your receivables and, just managing the dollars
- Persistence. You could have the greatest story in the world, but nobody's going to buy it from you the first time they meet you
- Being positive, having a strong attitude, and having a good work ethic
- Developing people
- Manage the people
- Set processes up
- Teach people what to do
- Hire the right people
- Holding people accountable
- Creating the organizational culture and structure
- Clearly define the expectations of people. Clearly communicating with people what you expect them to do and what you expect the results to be and then hold them accountable for that

Research Question #3: What were the most valuable learning tools for you?

Who/What helped?

- I came from the business, so, I had industry knowledge, I had product knowledge

- When I put my business plan together, I worked with an attorney, worked with a good accounting firm, and used those people to help me understand
- I have an outside coach who I utilize
- We have a strategic team
- Board of directors

Research Question #4: How did you recognize the need for learning?

- I think you learn where the gap is pretty quickly. You realize there's a gap in your knowledge in terms of understanding what you need to understand to be effective in that conversation...but you recognize what you don't know, and then you ask questions or you reach out to people who have been there, done that before
- I think the organization told me
- Planning team meets formally. We review the things that we need to be focusing on from a strategic level and it became very evident out of that group...so how did I learn, my people told me
- I wanted to take it to the next level

Research Question #5: What advice do you have for fellow entrepreneurs about what and how to learn at the various phases of organizational growth?

- I can't emphasize enough the importance of being able to sell your product or service
- You've got to learn how to do it [sell] , or have somebody on your team who can do it, because nothing's going to happen unless you do it
- I think as you're maturing it's really on the development and the people side of the business
- You've got to go out and make something happen and when you're going out trying to make something happen, you're going to make a mistake
- It's how you learn from those mistakes and leverage it going forward

Appendix G

Research Question #3 Answers

Research Question #3: What are the most valuable learning tools for entrepreneurs? Who/What helped?

Craig

- We took the information from the chemical people, we took the desires of the end user – feedback from technical perspective and feedback from customers
- We did a lot of testing, uh, you do a lot of poll testing, you do a lot of thickness testing, a lot of those type of things. So we spent a lot of time in the laboratories, environments, doing a lot of R&D work
- We did a lot of hand-to-hand work with one of their chief developers
- So we spent a lot of time with customers trying to say, you know, what are your needs, how are you going to produce this, how are you gonna make the changes?
- It's good if you surround yourself with good people
- I've had a couple or three really good mentors in my life - it's to calculate, to look at things, to move forward, to understand situations or insight to things
- You learn all those type of things, and it's easy to pick those things up just from being around it, you know, I mean, certainly, and, uh, we spent a lot of time talking about

Kim

- I had partners
- We hired a brokerage firm to represent us
- Having a strong supporter at home. My wife is my biggest advocate in starting my own business
- I knew the industry. I was a thought leader
- I had the benefit of being a minority investor once before

- I bought services from the outside
- I found a small independent financial firm
- I outsourced that to Paychex
- I built a training program from scratch. Now, I hired an independent consultant. I knew what I wanted, but I'm spread thin. I can't do everything. I hired an independent consultant to write the curriculum
- I stayed very active in the industry in terms of public speaking engagements, I kept my visibility out there, I was very active in the largest association. I became a board member of that association, so I kept [my] name out there because at the end of the day, {company} is an extension of [entrepreneur], at that time, because it didn't have its own identity or reputation
- I had some benefits over entrepreneurs that never worked in corporate America. Recognizing, the difference between a leader and a manager, about inspiring the workforce, but to me, what was extremely important starting my own business was creating a very unique environment
- I obviously invested time with other entrepreneurs, so I got involved in the Employer's Association CEO round table, cause that tends to be a group of entrepreneurs.
- I got very involved in the association in the industry, because again, [the product/service] was so new there were a lot of entrepreneurs in the association or industry. There were big players too, but there were a number of people like me and I wanted to learn from those people.
- My best mentor and sponsors ... They were an investor in my last business; they'd be an investor in any of my businesses. They are great entrepreneurs and I wanted to learn from them because they wore all those hats. I never had to wear all those hats.
- I added them to my board cause you know I don't have bench strength, so I needed some people where I could reach out to and bounce ideas off – concepts off
- Scott and Jeff were the encouragement behind the scenes that kept – this is on the path, don't worry about it, we're on path, we're on path, we're on path, we're doing the right things. They kept reinforcing that we're doing the right things.
- I didn't have audited books, but I did have a consultant close my books every year.
- I got exposed to a lot of other entrepreneurs and venture capitalists. The good news is I know those people personally today and my leverage in working with those people today is a lot different. And so I could use those people and give up less ownership because they have confidence in me. Person right out of the gate would not have that much

- I think the benefit I had coming out of corporate America, I was exposed to so many different aspects of the business I became a pretty solid businessman, not a subject matter expert in all those functional areas, but a good business person.
- I apply to life everyday and I apply those principles to entrepreneurship (Kim was discussing life lessons that he learned as he was growing up and from his dad)

Lee

- Direct them to the Chamber of Commerce to help write that business plan or Score to help do the same
- They need a good strong attorney and a very good strong accountant that will give them facts, that will be reasonable with them and charge them reasonable fees
- A lot of the data that can be found, certainly at the University of Toledo, if one was willing to dig into the research that has been conducted, and in working with the Chambers and others; the banker is a tremendous source of information.
- Every one of us is seasoned-veterans with many, many year's experience.
- What additional resources do we need? Can we get it from Capital Bank Corp. – the bank development company, I mean they were a tremendous help to us as we began to grow. (this was the parent company)
- I had a peer group at that time of 40+ bank presidents throughout the country and as I was growing, we would exchange ideas
- And I've got a very sound board of directors. As we take a look at who gives you input in these difficult times, what I have found very helpful to me is our board of directors... These individuals meet once a month. We talk about various factors and we talk very candidly about how we're doing and what we can do to take the next step.
- The whole notion is to get good, current, candid advice to better improve our bank and take us to that next level.
- A lot of that was gained over time with my management experience and that comes all the way back from my business degree
- Being a naval officer is like having a doctorate in management.
- The other thing is constantly surrounding yourself with individuals you can learn from.
- Having that kind of peer group to meet with, to have a cup of coffee with, to say, "Here's what I'm facing. How do you see it?" To interface with other individuals has been tremendous.
- I've also had the good fortune of sharing several boards

- I have been able to enter into several leadership positions in the community.
- I think one of the greatest resources we have are universities.
- I'd also take a look at online learning.
- There are some great abilities out there to read either through the electronic media or through written media. There are some great books out there that can help.

Gary

- I came from the business, so, I had industry knowledge, I had product knowledge
- I had that background
- When I put my business plan together, I worked with an attorney, worked with a good accounting firm, and used those people to help me understand
- I have outside coach who I utilize
- We have a strategic team that I utilize
- The board of directors

Bruce

- You need to find an attorney
- But managing growth is the toughest thing there is and the best way to do it is to find people that will help you manage the growth
- I have to learn almost vicariously on how to manage to growth
- I go to peer people, mentors... So, that's how I manage growth is really by getting to know mentors
- I read a lot
- I'll research it, I'll get online

Tim

- The biggest tools for me have been consulting with friends and fellow-business people that I trust
- My brother-in-law is a CPA, so he helped me with a lot of that financial stuff
- Throughout your life you meet people who are in their own entrepreneurial adventures and they may be at different phases of theirs and you meet and consult each other.
- You have good advisors that can help you
- Having a professional sounding board

- My own informal ways and that's meeting with people I trust. Quite often, other entrepreneurs
- These are guys that I talk to once a month at a minimum and we learn from each other. We're sharing ideas
- I went to a conference last fall on entrepreneurship

Mike

- I established relationships with people that were professionals in that area and they've helped weed me through that process over the years.
- One of them was a carryover from the company I used to work with
- Asking other business people in the area, people that I trusted
- I hired a guy, a business degree person, who brought a lot more systems into the company
- I just turned to the professionals to help me start this company between attorney and accountant and other business colleagues to get some idea
- I've been a member of the center, the UT center for family business.
- I attend seminars and conferences
- I sit on that the board of directors
- I'm involved in a couple different committees and I've learned, gained an immense amount of insight into a financial things that I'd never had before
- I've taken some classes at UT, some business classes
- Getting an education is certainly a help
- Working in whatever field you wanted to get into for awhile and learning about from the ground up
- Sought out the advice of an organization called SCORE
- There are so many people that can add great value...that have been there and done that and seen that or experienced it or witnessed it or students of history who can point out some of the speed bumps and road blocks to help you avoid that

Appendix H

Research Question #1 Themes

What are the most significant learning and development challenges entrepreneurs experience at each of the various phases of organizational growth (start-up, growth, maturity, and decline)?

Product/Service Development – Learning that you have to put time and effort into your product/service before you can start selling and even when you have already started selling your product/service, you have to continue to develop your product/service

1. Quality control
2. Staying ahead of demand with new product/service/technology
3. Knowing the right time to start selling his product
4. You have to develop your product/service
5. There is no instant gratification. Was surprised by how long it took to get product/service ready to sell
6. Invest in the business before you start to sell (R&D)
7. You have to do things before you can “open your door”
8. You have to spend time researching your idea/product before you can sell it
9. Maintaining quality...building consistency during growth

Business Development

1. Develop a business plan
2. How do you get started? Buy a franchise, start something from scratch, or buy an existing business
3. Gather “intelligence” and fine-tune strategy

4. You have to continually “fine-tune” your strategy, even in later phases
5. You have to look long-term, not just short-term
6. Watch the market, and if it changes, you might need to adjust your plan/strategy
7. Even when things are going well, you still have to continuously examine what you are doing. If you wait until things turn bad, it might be too late to minimize damage
8. Even great ideas are worthless if the execution isn’t there
9. Realizing how quickly things change due to technology
10. There will be periods of stagnant growth, then you have to do something different
11. Realizing how tied to the economy he was

Sales/Marketing/Customer Service

1. Customer service
2. Reputation is everything
3. Work with your clients/customers and be flexible...figure out how to help them be successful
4. How to get the word out in order to attract the right kind of customer
5. Realize that you don’t want to get customers at any cost, sometimes, passing up on a potential customer is best for the organization
6. Everything revolves around sales and marketing
7. You can have the greatest idea/product, but if no one buys it, it is a waste
8. Realizing that there was no “magic bullet”, you have to do a lot of work to get sales
9. Not only do you have to get the sale, but you have to make sure you meet the expectations of the customer
10. The need to broaden your relationship with people in your customers’ organization. People leave all the time and you might not have a relationship with anyone left at the customers’ organization

Managing People

1. Recruiting and hiring staff
2. Not adding too many too quickly
3. Dealing with different types of people
4. Bringing people in and training them
5. Recruiting talent
6. Some employees just don’t fit
7. Employee Relations
8. Once people are hired, how do you get them on the same page as the entrepreneur
9. Hiring people, developing them and getting them the resources they need
10. Knowing when to hire that first person

11. How to recruit and hire the right people, people who work well together
12. Recognize the importance of front-line employees to the success of the org.
13. Hiring the right people and then managing the poor performers out of the organization

Building the organization's infra-structure

1. Develop the office
2. Knowing who the right people are to partner with
3. Develop the culture
4. Creating a vision and identify resources to accomplish it
5. Surround yourself with good people
6. As the organization grows, it becomes increasingly complex. You have to set up processes, there are more layers and you have to get people to work together
7. As the business grows, you have to build consistency through policies and procedures, without the people losing their individuality
8. Providing benefits and finding vendors for benefits
9. Knowing when you need to start bringing in people to help, such as business manager or office manager
10. When do you invest in more/new equipment
11. When do you move into a bigger, more expensive building
12. Even though the entrepreneur has the money to start the business, at times, they still need to bring in other people who will bring a certain knowledge/skill to the org.
13. As organizations grow, it becomes more complex with rules, regulations, the need to develop a hierarchy, a chain-of-command
14. As orgs grow, you have to have policies and procedures to build consistencies. When it was smaller, you could deal with each situation individually
15. Transitioning from a small, family atmosphere to one that is formal

Safety

1. Safety

Work Responsibilities and Delegation

1. Not doing everything himself
2. Realizing that you can't do everything
3. Where do you spend your time
4. You have to "wear a lot of hats"
5. Even as the owner, you have to pitch in and be willing to do any task, even menial ones

6. At start-up, entrepreneurs have to be willing to do anything, you just don't have the resources to hire people
7. At some point, you have to make the transition from doing everything yourself to adding people to do it for you
8. Once established, it is hard for the entrepreneur to let go of the day-to-day stuff
9. Know when to stop trying to do everything yourself
10. You have to "wear many hats"

Financials

1. Knowing when to spend money
2. The need to have capital
3. Cash flow
4. Be ready for cash calls
5. At the beginning, more cash is going out than coming in
6. How much debt should be taken on
7. Even after start-up, you have to continue to inject capital into the organization
8. If revenue is down, it is critical to control expenses. Sometimes, tough decisions have to be made, such as downsizing
9. You have to understand the financials, what all the costs are
10. How to get financed
11. Have to be bottom-line driven. Short term would be cash, long-term would mean P & L
12. Need to understand the various business financial issues – taxes, cash flow, the "books"
13. Knowing if and when to bring in more capital through investors or partners
14. Getting financed

Diversification

1. Need to diversify your product/service
2. Diversify the client base
3. Always look for options
4. The need to diversify

Balancing personal and professional

1. It is a lot of work and it effects his family life
2. Find the balance in getting exposure in the community, such as committees, sitting on other boards, and other ways to gain visibility in the community. Too much will take time away from the business/personal life and not enough might hurt with marketing

3. Have to have a balance between work and family

Communication

1. How do you deliver your message
2. Some topics should not be discussed with staff, co-workers. It is best to talk with someone outside of the organization

Managing Growth

1. Growth can get out of control
2. How to manage the workflow in a growth period
3. During the growth phase, examine to make sure processes, decisions are sustainable for the long-term. It is easy to bring on too many resources when things are going well
4. Managing in the start-up phase is different than managing in the growth phase
5. How to manage growth

Intra-personal issues

1. The need to be proactive
2. An older entrepreneur has an advantage and a disadvantage on a younger entrepreneur...they usually have more experience to draw from, but they also have less time until retirement to recoup from failure
3. Stress – blowing all his savings and retirement
4. Stress than turns to being able to take care of his employees
5. How much ownership do you give up so that capital can be brought in
6. Entrepreneurs can be intimidated by bankers and have a fear of rejection
7. With success, it is easy to become too comfortable
8. Accepting that there will be a series of failures
9. When failures do happen, you don't just stop trying so that you avoid more failures
10. Doing the right thing, even if it appears that it might hinder your business
11. Trying to keep his employees employed, even during declines
12. Realizing that sometimes it is "better to me lucky than good"

Exit Strategy

1. Always have an exit strategy