

Technology Use Proposal:
Entrepreneurship Simulation
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Rationale

The purpose of this proposal is to augment the existing Introduction to Entrepreneurship course with a simulation experience. A primary focus of effective entrepreneurship education programs is experiential learning (Nais, Baptista, Januário and Trigo, 2014). This learning can take the form of classroom activities, internships, or contact with successful entrepreneurs. However, none of these activities can mimic the experience of actually starting a business. Computer simulations can augment other methods of entrepreneurship education, and can provide translatable skills and practice (Brawer, 1997). Research conducted by Gallup suggests that developing future entrepreneurs must include “practice taking risks, focusing on goals and building teams” (Gallup, 2016).

Background Research

In 2015, over 15 million people in the United States were self-employed, representing approximately 10% of total employees in the United States (Bureau of Labor Statistics, 2016). Owning and operating one’s own business is viewed as a key component of achieving the American Dream. However, only two-thirds of small businesses survive two years, and that figure drops to one-half at five years (Small Business Administration, 2012). There are many reasons for these failures, but one frequently mentioned theme is lack of management skills (Gaskill, Van Auken and Manning, 1993). Wagner (2013) also notes that to avoid failure, business owners should focus on developing their own skills.

Entrepreneurship is not just another aspect of standard business management; it is a field with unique characteristics. Entrepreneurship is also not a concept that is limited to those who

wish to start a business. An “entrepreneurial perspective” can be demonstrated in any setting, and it highly valued in the corporate world (Kuratko, 2004, p.3).

To develop this mindset, entrepreneurship professors must change their approach from traditional business to a focus on innovation and creativity (Kuratko, 2005). One aspect of this change is to embrace technology to help students learn to solve problems and create new opportunities.

Many disciplines, such as the trades, apply what is learned in the classroom to real world situations in labs and workshops. However, it takes a lot of money and effort to start a real business. Computer simulation may bridge that gap, allowing students to apply what they learn in a low-risk environment (Armer, 2011).

Current State of the Field

There are several entrepreneurship simulation programs available in the market today. Two of them were considered for this initiative. Perhaps the best known of these is “The Startup Game” created by Ethan Mollick of the Wharton Business School at the University of Pennsylvania (Wharton, 2016). It is designed for groups of 20 to 86 students and costs \$150 per student (Forio.com, 2016a). The large scale of the game, as well as the high cost, make this choice undesirable at this time.

An alternative simulation program is “New Venture Exercise: The Food Truck Challenge.” This simulation is designed to run in 30 minutes, and can run and debrief in one class session. Individuals or teams decide where to park and what to sell to result in the highest sales. The simulation was designed by Michael Roberto, who is also the co-author of the award-winning “Leadership and Team Simulation: Everest V2” (Roberto, M. 2016). The Food Truck Challenge is currently priced at \$50 per student, including instructor training (Forio.com, 2016b).

Description

The proposal is to incorporate a computer-based simulation into the existing Introduction to Entrepreneurship course in the NJCU School of Business on a pilot basis. The current course focuses on innovation and creativity, which are important facets of entrepreneurship. It contains many hands-on activities to enhance the development of student entrepreneurs. Alumni entrepreneurs are quite visible at the School of Business, as participants in the Speaker's Series, and as panel members at workshops. Some students take advantage of the opportunity to write a business plan for the annual "Build Your Dream" competition, where finalists present their business plans before a panel of successful alumni who are entrepreneurs. This is also a valuable experience for students, but presenting is limited to a few select students.

A short-time simulation such as The Food Truck Challenge would give all students the opportunity to participate in an immersive experience. The program is flexible, and allows participation by individual students and by teams of students, based on the instructor's preference. The simulation allows students to experience the decisions that must be made to start a food truck in a risk-free environment.

The simulation package was released fairly recently, and no critical reviews by participants have been identified online. However, substantial savings will be realized by becoming an early adopter of this simulation. In addition to arranging for a formal demonstration of the simulation for faculty, a list of other clients will be obtained from the publisher to get independent user reaction to the experience.

The addition of a simulation experience, which would require students to manage all aspects of a start-up business, would be an enhancement to the existing program. The cost for the simulation is \$50 per student, and instructor training is included in that total. There is no

additional capital investment required, as the simulation can be completed in the Computer Lab. Students will not be required to provide their own device to participate.

Policy Consideration

The School of Business currently uses simulations in two of its required courses. In Principles of Management, a 200 level course, students use “Capsim Foundation” as a multi-week simulation. In the capstone course of the program, Business Policy, students complete the “Capsim Capstone” simulation. Each of these simulations are eight weeks or more in length, and involve teams making management decisions for a large corporation.

The estimated cost to undertake a pilot entrepreneurship simulation in one section of Introduction to Entrepreneurship is \$1,250. Funds for this initiative will be allocated from the Target Entrepreneurship grant recently received at the School of Business. There is no additional cost, as the simulation is Internet based, and can be run in the Computer Lab with no additional software.

Adopting this simulation as a pilot project will not require a long-term commitment by the University. If the evaluation of the pilot does not warrant continuation of the project, there is no monetary penalty.

Assessment Plan

There are currently two sections of Introduction to Entrepreneurship scheduled, but they are at different locations taught by different faculty. This makes it impossible to use one section as a control group while the other section participates in the simulation. To assess reaction to the simulation program, targeted questions about the simulation experience will be included in the debrief. The faculty member will also be interviewed to gain another perspective on the

simulation activity. With the instructor's permission, an observer may be present at the simulation to record reactions and assess the level of student engagement in the activity.

Conclusion

The mandate of a school of business is to prepare its students to succeed in the real world after graduation. As many students hope to eventually start a business, it is important to equip them with entrepreneurial skills as well as those needed in the corporate arena. The adoption of "New Venture Exercise: The Food Truck Challenge", an entrepreneurship simulation, will enhance the experience of the present Introduction to Entrepreneurship course. The comparatively low cost, brief run-time, and reputation of its author make this simulation the recommended alternative for the course.

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