

# ENTREPRENEURS EXIST EVERYWHERE

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## LESSON DESCRIPTION

This lesson examines the role of inventions, innovations, and entrepreneurs in our economy. Students consider how many goods and services were created to make their lives better. Working in groups, students engage in problem solving and think about innovations to improve people's lives.

## AGE LEVEL

9-12 years old

## CONCEPTS

Invention  
Innovation  
Economic value  
Entrepreneur

## CONTENT STANDARD

Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.

Entrepreneurs are people who take the risks of organizing productive resources to make goods and services. Profit is an important incentive that leads entrepreneurs to accept the risks of business failure.

## BENCHMARKS

Entrepreneurs are people who organize other productive resources to make goods and services.

Entrepreneurs are individuals who are willing to take risks in order to develop new products and start new businesses. They

recognize opportunities, enjoy working for themselves, and accept challenges.

An invention is a new product. Innovation is the introduction of an invention into a use that has economic value.

Entrepreneurs often are innovative. They attempt to solve problems by developing and marketing new or improved products.

## OBJECTIVES

- ◆ Differentiate between innovation and invention.
- ◆ Define entrepreneur.
- ◆ Explain entrepreneurial traits.

## TIME REQUIRED

One to two class periods

## MATERIALS

- One copy of Activity 1 for each student
- Transparency of Activity 1
- One copy of Activity 2 for each student (optional)

## PROCEDURE

1. Have students look around the classroom and identify things that have made their lives easier. For example, crayons made it easier for students to add color to their drawings and artwork many years ago. Calculators made it easier for people to do mathematics. Help students brainstorm a list of items in the classroom, and list their suggestions on the board.

2. Explain that inventors came up with the ideas for these new products. Define invention as a new good (objects that can satisfy people's wants) or a new service (actions that can satisfy people's wants). An invention is a good or service that never existed before and is a totally new idea. There are very few "true" inventions.

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Examples of inventions are cellophane tape, air bags, zippers, pencils, and aluminum foil.

3. Explain that sometimes people invent products that are basically useless. Ask students how many people would like to buy a waterproof towel, an inflatable dartboard, or a black highlighter pen. Inventions are not important unless they have economic value. A product has **economic value** if people are willing to buy it.

4. Explain that **innovation** is the introduction of an invention into a use that has economic value. Discuss the following.

- A. Why was aspirin an innovation? (*It helped alleviate people's pain and people were willing to buy it.*)
- B. Why was the bicycle considered an innovation? (*People could go long distances without walking. They didn't have to feed or house an animal, such as a horse. People were willing to buy bicycles.*)
- C. Why was the DVD an innovation? (*DVDs provide better pictures and take up less room. People were willing to buy them.*)

5. Explain that innovations may not be totally new products. Sometimes they are improved products. For example, the light bulb was an important invention, and the florescent light bulb was an improvement for certain circumstances. Pencils were more convenient than ink and quill. Cellular telephones are more popular than regular telephones in many countries.

6. Explain that people buy innovative goods and services in the marketplace. Entrepreneurs bring these innovations to the market. **Entrepreneurs**, a special type of resource, are people who take the risks of organizing productive resources to make goods and services.

7. Point out that entrepreneurs sell these innovations in the marketplace where they hope to earn a profit. Discuss the following characteristics of entrepreneurs.

- A. Entrepreneurs are risk takers. What kind of risks do entrepreneurs take? (*Answers will vary. They run the risk that their companies will fail if people don't want to buy their products. They may lose the money they invested in the business or developing the product.*)
- B. Entrepreneurs recognize opportunities and try to solve problems. What does recognizing an opportunity mean? (*Answers will vary, but should include identifying problems and trying to find ways to solve them by selling an appropriate product in the marketplace.*)
- C. Entrepreneurs enjoy working for themselves and accept challenges. Why would these characteristics be important? (*Entrepreneurs may have to work very long hours to succeed, but that may be acceptable if they're working for themselves and enjoy starting or creating something new and valuable.*)

8. Have students talk about some famous entrepreneurs and their innovations. These may include the following.

- Bill Gates – Microsoft  
Gates didn't invent computer software; he recognized a better way to produce it that would make computer work easier for users.)
- Enzo Ferrari – Ferrari sports cars  
Ferrari didn't invent cars, but saw a way to make cars faster and sportier for those drivers that like such things.
- Walt Disney -- cartoons  
Disney didn't invent cartoons; he developed a way to make cartoons animated and enjoyable, which reached a larger audience in the movie theaters and beyond.

9. Have students give examples of some entrepreneurs in their community. Tell them to think about how those entrepreneurs exhibited the characteristics described in procedure step 7.

10. Point out that the students could be innovators and improve on an existing good. Use the chocolate-chip cookie as an example. Have students discuss how they would improve the cookie. (*chunkier, more chips, larger chips, shaped like animals, marshmallows, vitamins added*)

11. Have students think about how they could improve an existing service. Use a car wash as an example. (*better soap, faster, more powerful cleaning machine, free video games while customers wait*)

12. Explain that the students are the next generation of entrepreneurs, and there is no time like the present to get started.

13. Divide the class into groups of 4-5 students. Explain that each group will brainstorm ideas about an innovation for an existing product or a new product to solve a problem. Remind them that their products must have economic value to consumers.

14. Give a copy of Activity 1 to each student. Point out that the second column is where the students will write their new or improved products. Allow 15 to 20 minutes for the groups to brainstorm their ideas. Have each group pick an innovation that they think will be most successful in the marketplace. Each group should select a reporter.

15. When students are finished, have the reporter from each group present the group's innovation, talking about the major points on Activity 1. Write their responses on the transparency of Activity 1.

16. After all groups have reported, have students discuss what other resources would be

necessary to produce the good or service. Have students think about what would be necessary for them to become entrepreneurs to create the goods or services. Then have students vote on the best choice of a product that is innovative (is new/improved and has economic value) and would be possible for an entrepreneur to undertake.

## CLOSURE

Review the main points of the lesson with the following.

1. What is the difference between an invention and an innovation? (*An invention is a new good or service. An innovation is a new or improved good or service that has economic value.*)

2. When does a good or service have economic value? (*Goods and services have economic value when they can be sold in the marketplace.*)

3. What is an entrepreneur? (*a special type of resource – a person who takes the risks of organizing productive resources to make goods and services*)

4. Name some important traits of entrepreneurs. (*take risks, recognize opportunities, solve problems, accept challenges, enjoy working for themselves*)

## ASSESSMENT

Give students an index card. Have them write a “+” on one side and a “-” on the other side. Tell students to hold up the appropriate side (+ for true; - for false) to answer the following true/false questions.

1. Inventors and entrepreneurs are the same thing. (*false*)
2. Entrepreneurs are innovators. (*true*)
3. An entrepreneur is a resource in the production of a new or improved product. (*true*)

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4. All inventions have economic value. (*false*)
5. Entrepreneurs recognize opportunities and try to solve problems. (*true*)
6. Walt Disney was an entrepreneur. (*true*)
7. The assistant manager of the local grocery store is the store's entrepreneur. (*false*)

### EXTENSION

Give each student a copy of Activity 2. Explain that they will look for three innovations in their homes. They must get one innovation from each of the following rooms: kitchen, bedroom, and bathroom. Tell students to complete the three columns as they did in class and to bring the handout to school the next school day. Have students share and discuss their innovations, using Activity 2.

Activity 1

**Entrepreneur Worksheet**

<p><b>HOW IT HAS ECONOMIC VALUE</b></p>	
<p><b>THE ANSWER</b></p>	
<p><b>THE PROBLEM</b></p>	

## Activity 2

# Innovation Worksheet

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<b>HOW IT HAS ECONOMIC VALUE</b>	
<b>THE ANSWER</b>	
<b>THE PROBLEM</b>	