

Lecture 1

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The best way to predict the future is to invent it.

Welcome

Hello! I'm Dr. Chenarides.

This is **AREC 280-A1/224 Introduction to Agribusiness Entrepreneurship** (3 credits).

We meet **T & Th 8:00 am–9: 15 am**.

What to Expect

[Course website](#)

Lecture 1: Introduction to Entrepreneurship

Textbook Reading (Quiz Basis) Chapter 1. Entrepreneurship: Evolutionary Development—Revolutionary Impact

Lecture Agenda

- Part 1: Interesting Statistics about U.S. Entrepreneurship
- Part 2: Major Types of Entrepreneurial Ventures
- Part 3: Cultivating an Entrepreneurial Mindset

Source: Kuratko (2024)

Chapter Objectives

- 1.1 Identify the major types of entrepreneurial ventures.
- 1.2 Examine the historical development of entrepreneurship.
- 1.3 Summarize the myths of entrepreneurship.
- 1.4 Define the major schools of entrepreneurial thought.
- 1.5 Explain the process and framework approaches to the study of entrepreneurship.
- 1.6 Paraphrase a comprehensive definition of entrepreneurship.
- 1.7 Examine the entrepreneurial revolution taking place today.
- 1.8 Illustrate today's entrepreneurial environment.
- 1.9 Outline the trends in entrepreneurship research.
- 1.10 Examine the future trajectory of entrepreneurship.
- 1.11. Define the key concepts in entrepreneurship.

Part 1: Interesting Statistics about U.S. Entrepreneurship

Some Interesting Statistics About U.S. Entrepreneurial Activity (1/2)

Guess before the number appears!

- **How many entrepreneurs are there in the U.S.?**

31 million

- **What percent of adults have started at least one business?**

55%

- **What percent have started two or more businesses?**

25%

Some Interesting Statistics About U.S. Entrepreneurial Activity (2/2)

Guess before the number appears!

- **What is the average age someone starts their first business?**

42

- **How many women-owned businesses exist?**

13 million (as of 2021)

- **What percent of women-owned businesses are owned by women of color?**

50%

One More Interesting Statistic

I started my first business in 2016.

Twenty-First-Century Trends in Entrepreneurship Research (1 of 2)

- Venture financing including venture capital and angel capital financing and other financing techniques strengthened in the 1990s.
- Corporate entrepreneurship and the need for entrepreneurial cultures have drawn increased attention.
- Social entrepreneurship has unprecedented strength within the new generation of entrepreneurs.
- Entrepreneurial cognition is providing new insights into the psychological aspects of the entrepreneurial process.

Twenty-First-Century Trends in Entrepreneurship Research (2 of 2)

- Women and minority entrepreneurs appear to face obstacles and difficulties different from those that other entrepreneurs face.
- The global entrepreneurial movement is increasing.
- Family businesses have become a stronger focus of research.
- Entrepreneurial education has become one of the hottest topics in business and engineering schools throughout the world.

The Impact of Entrepreneurial Ventures in the United States

- The number of business declined by over 20% during the pandemic
- However, in 2021, large growth in new business applications
- Now more than 31 million entrepreneurs
- Nearly 1.3 million women-owned businesses, growing faster than total businesses.
- Number of Latino business owners grew 34 percent.
- Asian entrepreneurs run 10 percent of all businesses.

The Entrepreneurial Revolution

- Entrepreneurship is the symbol of business tenacity and achievement.
- Entrepreneurs were the pioneers of today's business successes.
- In post-pandemic world, entrepreneurs will continue to be critical contributors to economic growth through:
 - leadership and management
 - innovation and research and development effectiveness
 - job creation, competitiveness, productivity, and the formation of new industries.

Part 2: Major Types of Entrepreneurial Ventures

There are four main types of entrepreneurial ventures.

- Survival ventures
- Lifestyle ventures
- Managed growth ventures
- Aggressive growth ventures

Survival Venture

These ventures are started out of necessity and usually generate just enough income to support the entrepreneur and their household.



Figure 1: Early photo of La Piadina food truck in Fort Collins.

Example: La Piadina

Started as a food truck serving Italian flatbreads in Fort Collins, launched by two founders with a passion for bringing Romagna-style street food to the area.

Initially operated with limited staff and resources, focusing on local events and markets.

Represents a grassroots approach to entrepreneurship, often with family labor and a bootstrapped budget.

Over time, the business grew into a permanent brick-and-mortar location — a transition that many survival ventures aspire to.

Lifestyle Venture

These ventures prioritize personal goals over business growth, often aligning with a preferred way of living.

Income is stable and sufficient, but growth is not the main objective.



Figure 2: Jodar farms is a local farm servicing residents and businesses in Northern Colorado.

Example: Jodar Farms

A pasture-raised poultry and egg farm just outside Fort Collins, selling direct-to-consumer and at local farmers' markets.

Focuses on sustainable practices and local relationships over aggressive scaling.

Supports a lifestyle of land stewardship, food quality, and local identity.

Managed Growth Venture

These businesses aim for moderate and steady growth, often by formalizing operations and expanding reach.



Figure 3: Snooze has consistent branding across locations, with emphasis on local vibe and consistent operations.

Example: Snooze, an A.M. Eatery

Founded in Denver as a single breakfast spot and grew into a regional chain with sustainability commitments and community engagement baked into its business model.

Combines professional management and expansion with intentional values (e.g., waste reduction, local sourcing).

Uses operational scale but avoids a “fast food” model.

Aggressive Growth Venture

These are high-growth, scalable businesses that often seek venture capital or rapid market expansion.

Emphasizes innovation, rapid scaling, and market disruption.



Figure 4: Plenty is an example of a high-tech vertical farm facility.

Example: Plenty

A vertical farming startup based in San Francisco using robotics and AI to grow leafy greens in indoor controlled environments.

Backed by SoftBank, Jeff Bezos, and others; positioned to disrupt traditional ag supply chains.

Special Case of Aggressive Growth Ventures: *Gazelles*

- A business establishment with at least 20 percent sales growth in each year for 5 years, starting with a base of at least \$100,000 in annual sales.
- Gazelles as leaders in innovation:
 - Median growth of 450 percent
 - Top-performing 1 percent of companies account for about 40 percent of jobs.
 - Gazelles make up less than 1 percent of all businesses and account for 10 percent of net new jobs.

Mythology Associated with Gazelles

- Gazelles are the goal of all entrepreneurs.
- Gazelles receive venture capital.
- Gazelles were never mice.
- Gazelles are high tech.
- Gazelles are global.

Special Case of Aggressive Growth Ventures: *Unicorns*

- A pre-IPO¹ (private) tech start-up company with a \$1 billion market value.
- In 2023, 1,191 start-ups were unicorns.

Decacorns and Hectacorns

- A “decacorn”
 - Start-ups with a \$10 billion or more market value.
 - Examples: Facebook, Uber (taxi), and Airbnb (hotels)
- A “hectacorn” is valued at \$100 billion or more.

The Case of Plenty

After raising \$1B in funding, Plenty filed for bankruptcy in March 2025.

However, the company has re-emerged after company restructuring (as of May 2025).

[Read the PR Newswire article](#)

¹IPO=“Initial Public Offering”

What Bankruptcy Means for Plenty

What it Means	Details
Out of cash	Plenty can no longer meet its financial obligations (e.g., rent, salaries, supplier payments).
Court protection	Bankruptcy gives the company legal protection from creditors while it reorganizes its finances.
Debts frozen	Debt collection is paused, giving the company time to develop a recovery or liquidation plan.
Equity holders lose	Investors (like SoftBank, Bezos Expeditions) may lose most or all of their investment.
Restructuring	The company may sell off assets, renegotiate contracts, lay off workers, or change its business model.

What Bankruptcy for Plenty Tells Us About Agribusiness Startups

Plenty raised nearly **\$1 billion** in venture capital and still went bankrupt. That highlights:

- **High capital intensity:** Vertical farming requires massive investment in infrastructure, energy, and automation.
- **Scale success:** Being a “unicorn” (valued over \$1B) doesn’t guarantee product-market fit or profitability.
- **Unit economics matter:** If the cost to grow and deliver produce exceeds what consumers will pay, it’s not sustainable.
- **Supply chain complexity:** Even with tech and AI, perishable products and logistics remain challenging.
- **Vulnerability to macro forces:** Energy costs, inflation, labor, and competition can undermine a well-funded startup.

Plenty’s bankruptcy shows how even highly funded, high-tech ventures in agriculture face fundamental economic realities. It’s not enough to raise money — entrepreneurs need sustainable business models. In this case, vertical farming promised disruption, but its costs and logistics may have outpaced its revenues.

Do Most Entrepreneurial Initiatives Fail?

Data from the *Kauffman Indicators of Entrepreneurship* shows that in the state of Colorado, the startup early survival rate is **81.95%**, compared to the national average of **81.70%**.

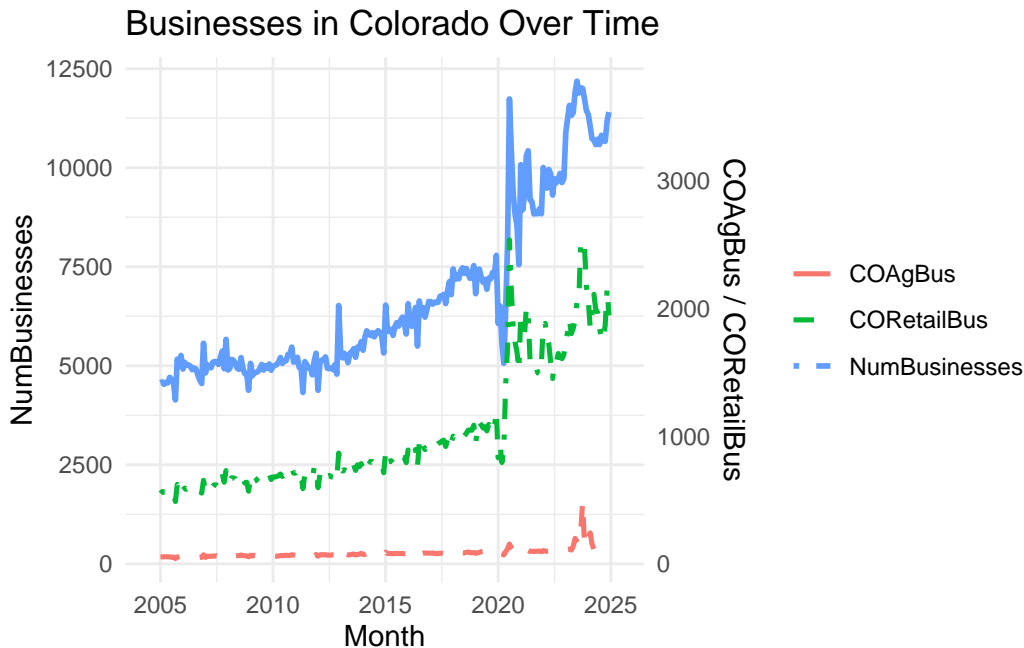


Figure plots the number of new businesses applications filed in Colorado (left axis) and the number of new business applications specifically in Agriculture (NAICS 11) & Retail Trade (NAICS 44-45) (right axis). Source: Business Formation Statistics [Time Series / Trend Charts](#).

Entrepreneurial Ventures in the United States

Reasons for the exceptional entrepreneurial activity in the United States include:

- A national culture that supports risk-taking and -seeking opportunities.
- Americans' alertness to unexploited economic opportunity and a low fear of failure.
- U.S. leadership in entrepreneurship education at both the undergraduate and graduate levels.
- A high percentage of individuals with professional, technological, or business degrees who are likely to become entrepreneurs.

Why Economists are Interested in Entrepreneurship

New ventures can change the market structure by shifting supply or introducing entirely new supply curves, as well as generate demand.

This happens via:

- Market entry and exit
- Pricing and competition
- Consumer access and innovation

Entrepreneurial Firms' Economic Impact

Entrepreneurial firms make two indispensable contributions to an economy:

- They are an integral part of the renewal process that pervades and defines market economies.
- They are fundamental mechanism by which millions enter the economic and social mainstream of society.

Part 3: Cultivating an Entrepreneurial Mindset

Origins of Entrepreneurship

- Entrepreneur is derived from the French *entreprendre*, meaning “to undertake.”
- The entrepreneur is **one who undertakes** to organize, manage, and assume the risks of a business.
- Although no single definition of entrepreneur exists and no one profile can represent today’s entrepreneurs, research is providing an increasingly sharper focus on the subject.

Entrepreneurs are Breakthrough Innovators

- Recognize opportunities where others see chaos, contradiction, or confusion.
- Are aggressive catalysts for change within the marketplace.
- Challenge the unknown and continuously create breakthroughs for the future.

This semester, you’ll be matched with an industry mentor. [Read about the mentors here.](#)

Entrepreneurs: Two Distinct Paths

Small-Business Owners

- Manage their businesses by expecting stable sales, profits, and growth.
- *Stability*

Entrepreneurs

- Focus their efforts on innovation, profitability, and sustainable growth.
- *Growth*

Variations of Entrepreneurs

- Millennialpreneurs: under age 35
 - Success based on positive social or environmental impact
- Ultrapreneurs: focus on environmental and social concerns.
- Serialpreneurs: have four or more operating companies.
- Boomerpreneurs: age 55 or older
 - Believe their business has had a positive social impact.
- Among millennials, 67 percent say their goal involves starting their own business.
- Among Generation Z, 53 percent hope to run their own businesses within 10 years.

Entrepreneurship: A Mindset

Entrepreneurship is more than the mere creation of business.

It is a *mindset* where one:

- Seeks opportunities.
- Takes risks beyond security.
- Has the tenacity to push an idea through to reality.

Entrepreneurship is an integrated concept that permeates an individual's business in an innovative manner.

The Entrepreneurial Process: Employee vs. Entrepreneur Mindset

- Becoming an entrepreneur is less about the money, the commitment, or the support and **more about the mindset.**
- It revolves around shifting from an employee mindset to an entrepreneur mindset.

The more a person can change their mindset from employee to entrepreneur, the more they will be able to find satisfaction in entrepreneurship.

The Entrepreneurial Mindset Transformation

- Entrepreneurship is more than just creating a business; it is an actual spiritual and emotional transformation that takes you from an established way of thinking to a new, groundbreaking mentality.
- An entrepreneur must get comfortable with being uncomfortable and be able to deal with fear.
- Entrepreneurship, in whatever capacity or form it shows itself in, is risky and fear-inducing.
- It does not matter if you are selling lemonade in your backyard as a kid, writing your first book, or hustling to market your brand after hours.

Source: E. Network (2017)

Summary Description of Entrepreneurship

Our working definition of “Entrepreneurship”

Entrepreneurship is...

- The dynamic process of creating incremental wealth through vision, change, and creation
- This wealth is created by individuals who assume major risks in terms of equity, time, and/or career commitment of providing value for a product or service.
- The product or service itself may or may not be new or unique, but the entrepreneur must somehow infuse value by securing and allocating the necessary skills and resources.

Ingredients of Entrepreneurship

What does it take to be an entrepreneur?

- Willingness to take calculated risks—in terms of time, equity, or career

- Ability to formulate an effective venture team
- Creative skill to marshal needed resources
- Fundamental skills of building a solid business plan
- Vision to recognize opportunity where others see chaos, contradiction, and confusion

Research on entrepreneurship seeks to examine all facets of the topic.

There are different schools of thought and process models that fit into the larger study of entrepreneurship.

This framework brings together both macro and micro perspectives:

- On the **macro side**, it includes external influences like culture, capital access, and economic conditions (i.e., things outside the entrepreneur’s control).
- On the **micro side**, it focuses on internal traits and strategic thinking—things like personal motivation, opportunity recognition, and business planning.
- It also includes **process-based** approaches that look at how ventures are formed and evolve over time, emphasizing inputs (like team or resources) and outcomes (like growth or innovation).

Rather than detailing each school here, I encourage you to read the corresponding sections in the textbook. It’s helpful to reference when you start noticing how entrepreneurs are influenced by both their personal traits and their environment — and when we explore business cases later in the semester.

Figure depicts the “Framework-of-Frameworks Approach”

Key Entrepreneurship Concepts

Concept	Important Takeaways
Entrepreneurship	A process of innovation and new-venture creation across four dimensions — individual, organizational, environmental, and process — supported by networks in government, education, and institutions.
Entrepreneur	A catalyst for economic change who relies on purposeful searching, careful planning, and sound judgment in executing the entrepreneurial process.

Concept	Important Takeaways
Entrepreneurial Discipline	The core principles of entrepreneurship apply across sectors — business, nonprofit, public or private. The types of innovation and where to find them are largely consistent.
Entrepreneurial Leadership	Involves both the capacity to lead and the willingness to take risks. Measured through opportunity recognition, drive to innovate, and ability to accomplish goals. Increasingly important in the 21st century.

Group Activity: Human Tic-Tac-Toe

Goal: Get 3 in a row (horizontally, vertically, or diagonally) by finding classmates who match the prompts.

How to Play:

- Walk around and introduce yourself to classmates.
- Ask them the questions in each square.
- If they match the description, write their name in that box.
- You can only use each person once.

First to get 3 in a row wins (bonus: try to fill the whole board)!

Ask follow-up questions—get to know each other!

Summary

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References

E. Network. 2017. “How to Switch from an Employee to an Entrepreneur Mindset.” https://www.huffingtonpost.com/entry/how-to-switch-from-an-employee-to-an-entrepreneur-mindset_us_59b69e29e4b0d364c97f53fb.

Kuratko, Donald F. 2024. *Entrepreneurship: Theory, Process, Practice*. 12th ed. Cengage Learning, Inc.

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