ENTREPRENEURSHIP

STI
SOUTHEAST
TECHNICAL INSTITUTE

Southeast Technical Institute

New Program

Entrepreneurship

Associate in Applied Science

Fall 2011

Entrepreneurship

Associate in Applied Science

Executive Summary

Southeast Technical Institute requests permission to start an Entrepreneurship Degree. The program will be offered in the following versions:

- AAS Degree starting Fall 2011 offered traditionally on STI's Campus
- AAS Degree starting Fall 2012 offered online pending BOE and HLC approval

The Associates of Applied Science Degree in Entrepreneurship offers training specifically designed to provide students with the skills needed to be a successful small business owner. This program is designed for traditional students and for graduates of other STI diploma or degree programs. The key business areas – management, marketing, accounting, communication, human resources, business law and computers are emphasized to provide a well rounded skill set. Students complete a capstone course where they prepare a complete business plan. The instructors at STI all have a background in the business world and bring real-world experience to the classroom.

In two years of study, students will develop skills in effective decision making, problem solving, organizing, planning and financial skills. Graduates of this program will be prepared to own businesses as well as be able to be productive in a small business environment in a management position.

Identification and Description of the Program:

The Entrepreneurship program is a two year AAS program designed to provide students and graduates of other programs with the skills needed to be a successful small business owner. The curriculum will include: management, marketing, accounting, communication, human resources, business law, computer and provides six credits of technical electives. Students will choose technical electives that meet their interests and needs and will allow student to double major in separate career fields. Examples include automotive, diesel, collision, networking or early childhood and entrepreneurship.

Objectives and Purpose of the Program:

The primary objective of this program is to provide students with the essential business skills that are needed to build upon an existing degree, own and operate a small business, take over a family business, or expand an existing business. The program is built primarily upon business courses, but the option of technical electives allows students from other fields to efficiently add an entrepreneurship degree in addition to their existing degrees in any area such as automotive, collision repair, landscaping, or networking.

Many small businesses fail due to poor planning. Southeast Tech students will have a capstone course where they prepare a complete business plan that will be reviewed by Southeast instructors who have experience in entrepreneurship, management, sales, banking, finance, accounting and human resources.

Graduates of Southeast's Entrepreneurship Program will demonstrate competency in:

- basic computer skills including Internet, Microsoft Office, file management, presentation and spreadsheet use.
- advanced computer skills including business development software and computerized accounting.
- business communication practices to allow them to promote a product, service or their company and to communicate inside and outside of their business using a variety of media.
- basic marketing principles that will allow the student to analyze market opportunities, select target markets, design market strategies, plan marketing programs and organize, implement and control marketing efforts.
- accounting practices including financial statement preparation and analysis to payroll so they may manage the finances of the company.
- financial management principles needed to maintain the finances of the small business in order to achieve financial objectives through financial planning, financial control and through financial decision making.
- practical decision making skills in designing, implementing and measuring a digital marketing strategy for their business.
- understanding the legal issues, documents, and forms required for small business.
- human resource management of their small business including recruitment, selection, training of employees as well as basic human resource law.

- developing a business plan including aspects of research, marketing, finance, and implementation.

Methods of Attaining the Objectives of the Program:

The curriculum will include lecture provided by instructors with industry experience, laboratory settings utilizing real-world examples, guest presenters from local industry, industry visits, student projects, and a capstone project to develop a business plan. Southeast has been a laptop campus longer than any school in South Dakota and all classes utilize the Learning Management System providing students with resources during class and supplemental information outside the classroom.

The Entrepreneurship program will be offered traditionally at STI, but we plan to make a proposal to the Higher Learning Commission in Spring 2011 for an online program as well, to start as soon as Fall 2012.

All Southeast Tech programs have an advisory board to help assist in the development and refinement of curriculum.

Description of Labor Market Demands of the United States, State of South Dakota, Student Needs, and Industry Support

Overview

Specific data for small businesses is hard to quantify with specific data as the field is so broad. General information is provided.

National Data

Nationally, small businesses employ slightly more than half of the private-sector workforce through full-time or part time employment. In the US, small businesses with less than 500 employees account for half of the gross domestic product. In these businesses, most job opportunities exist in companies with less than 10 employees or in companies with less than 20 employees.

With the current financial situation facing the United States the Small Business Administration has been given an abundance of resources. According to the SBA website, the SBA received $730 million in the American Recovery and Reinvestment Act (ARRA) to help unlock the small business lending market and get capital flowing again to America's small businesses. Due to the success of these programs, the SBA has received an additional $305 million to continue some ARRA programs through May.

State/Regional Data

Looking at data from the Small Business Administration and the South Dakota Department of Labor, South Dakota small businesses have generated over $3 billion in income from over 20,000 businesses.

Student Needs

This program will provide students with an opportunity to enter an expanding industry that has many different entry points, areas for growth, and training that meets industry need and also helps the student in their creation of a business plan.

Industry Support

The flexibility of the entrepreneurship program allows students in any field at Southeast to open their own business. The availability of the financing and technical assistance from the SBA and the education received at Southeast will help provide a strong chance of success for new business ventures.

Population to be Served by the Program:

Southeast will recruit students from a variety of backgrounds, including both traditional and non-traditional. It is anticipated that this program will attract students directly out of high school in addition to those who are unemployed, underemployed and those wanting to make a career change. We believe that existing students will look at this program as a viable option in addition to graduates from other Southeast programs who want to start their own business in their primary field.

Southeast will also move this program to an online degree in order to serve rural South Dakota and small town businesses.

Program Capacity

Starting Semester	Delivery Format	Capacity
Fall 2011	Traditional Day	28
Fall 2012	Online	24

Projected Three-Year Budget Plan

BUDGET PROJECTIONS			
Year	2011-2012	2012-2013	2013-2014
Salaries/Benefits	$12,000.00	$27,000.00	$27,000.00
FTE	Adjunct Support	Adjunct Support	Adjunct Support
Staff Travel	$250.00	$1,000.00	$1,000.00
Instructional Materials	$3,500.00	$2,000.00	$2,000.00
Software/Books/Fees	$1,000.00	$1,000.00	$1,000.00

Salaries/Benefits/FTE

The Entrepreneurship Program shares a common core with our other Business programs. These courses are taught by an existing group of faculty in the business core. The Entrepreneurship program has a foundation similar to our existing Business Administration program and will be taught by existing faculty. The budgetary needs will be for adjuncts to teach additional sections.

Program Competencies and Entry and Exit Points of Suboccupations:

Program Competencies

Program competencies are based upon recommendations from faculty on staff with small business experience and the utilization of the advisory board.

Entry and Exit Points

The Entrepreneurship Program is a two year AAS degree program and will accept new students in the Spring and Fall semester. The common core of the business programs and the utilization of technical electives will allow students in other business programs or graduates of other programs to enter into the program in the second year of the program.

Students directly entering the program will exit the program after two years. Students entering the program after another degree will require an additional year or more depending upon their prior degree.

Students who have already earned another degree (i.e. Automotive, Collision, Early Childhood, Landscaping, etc.) from Southeast Tech or another institution will, on average, have only 42 credits left to complete the entrepreneurship degree. If a student determines they are seeking multiple degrees upon initial enrollment at STI, the student would be able to complete both degrees, in 3 years, by utilizing the summer sessions.

STI is currently working to provide additional paths through articulation agreements with 4 year colleges and universities. We will work to develop additional agreements to meet the needs of graduates from this program.

Statement of Nonduplication:

Lake Area Technical Institute in Watertown is also starting a degree in Fall 2011. During the discussion of upcoming degrees among the Presidents of the four technical schools and the Director of Career and Technical Education it was determined that Southeast would also be submitting its request for Fall 2011. According to the I-29 Corridor study there is a shortage of graduates with associate degrees and to meet the recommendations set by that study, some duplication will be needed.

Curriculum Design and Research:

Semester	Course Title	Credits	Lec/Lab
First			
BUS 101	Introduction to Business	3	3/0
CIS 105	Introduction to Computers	3	2/2
ENGL 101T	Composition	3	3/0
MATH 115	College Math	3	3/0
MKT 120	Principles of Marketing	3	3/0
SSS 100	Student Success Seminar	2	2/0
Second		**17**	
ACCT 210	Principles of Accounting I	4	3/2
BUS 130	Business Communications	4	3/2
BUS 212	Human Resource Management	3	3/0
BUS 220	Personal Finance	3	3/0
SPCM 101T	Fundamentals of Speech	3	3/0
Third		**17**	
ACCT 211	Principles of Accounting II	4	3/2
BUS 140	Business Law I	3	3/0
BUS 210	Supervisory Management	3	3/0
BUS 2XX	Social Media	3	3/0
XXX 2XX	Technical Elective	3	3/0
Fourth		**16**	
ACCT 217	Computerized Accounting	3	2/2
ACCT 237	Payroll Accounting	3	2/2
BUS 230	Small Business Entrepreneurship	3	3/0
PSYC 101T	General Psychology	3	3/0
SOC 150	Social Problems	3	3/0
XXX 2XX	Technical Elective	3	3/0
		18	
Total		**68**	

Wage Factor

Data from the South Dakota Small Business Administration Office of Advocacy provides data for 2006. There were 21,233 employees with an income of $3.7 Billion. In addition, in 2007, there were 57,777 nonemployers contributing $3.9 billion of income in FY 2008.

See Appendix A for data sheet.

Suggested CIP Codes

52.0703 Small Business Administration/Management

A program that prepares individuals to develop and manage independent small businesses. Includes instruction in business administration; enterprise planning and entrepreneurship; start-up; small business operations and problems; personnel supervision; capitalization and investment; taxation; business law and regulations; e-commerce; home business operations; and applications to specific sectors, products, and services.

Appendix A – SBA Office of Advocacy

SBA Office of Advocacy
www.sba.gov/advo

Small Business Profile

Advocacy: the voice of small business in government

South Dakota

South Dakota's 21,233 small employers and 57,777 nonemployers make significant contributions to the state's economy, and they bring innovative products and services to the marketplace.* They are an important source of employment and opportunity throughout the state. This profile by the Office of Advocacy uses the latest statistics to describe the small business contribution in the greatest possible detail. (Note: A small business is defined as one with fewer than 500 employees.)

- South Dakota's real gross state product increased by 3.5% and private-sector employment increased by 1.4% in 2008. By comparison, real GDP growth in the United States was 0.7% and private-sector employment declined by 0.7%.
- The retail trade industry was the state's largest small business employer in 2006; health care and social assistance was the largest overall employer (Table 1).
- Small businesses are a major force in the state's net job change, as shown in Table 2.
- The number of small employers in South Dakota was 21,233 in 2006, accounting for 96.8% of the state's employers and 63.2% of its private-sector employment. (Source: U.S. Dept. of Commerce: Bureau of the Census.)

For Further Information

- Data on all states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- Visit http://web.sba.gov/list to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news, and research reports.
- For RSS feeds, visit www.sba.gov/advo/rsslibrary.html

* Small employer data from 2006; nonemployer from 2007.

South Dakota Small Business Facts

	2007†	2006	2000
Number of Businesses			
Small employers (<500 employees)	n.a.	21,233	19,897
Large employers (500+ employees)	n.a.	692	661
Nonemployers	57,777	56,015	48,177
	2002†	**% Share in 2002**	**% Change 1997–2002**
Business Owner Demographics			
Male-owned	38,040	54.7	20.0
Woman-owned	15,573	22.4	10.3
Equally male/female-owned	11,960	17.2	-34.0
African American-owned	122	0.2	-18.7
Asian-owned	300	0.4	-
Hispanic-owned	355	0.5	36.0
Native American/Alaskan-owned	1,303	1.9	n.a.
Hawaiian and Pacific Islander-owned	13	0.0	333.3
	2008†	**% Change from 2007**	**% Change from 2000**
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	327	1.4	7.1
Government employment	70	1.0	19.4
Self-employed (incorp. & uninc.)	69	-3.2	18.4
Female self-employment	23	0.5	17.5
Male self-employment	46	-5.0	18.9
Minority self-employment	1	-11.5	-22.0
Veteran self-employment	7	-27.9	-21.2
Unemployment rate (%)	3.0	0.1	0.3
Business Turnover			
Quarterly establishment openings	4,428	0.4	2.3
Quarterly establishment closings	4,453	7.3	6.5
Business bankruptcies	96	6.7	-27.8
	2008†	**2007**	**2000**
Income and Finance			
Proprietors' income ($billion)	3.9	3.7	2.5
Number of bank branches	482	481	427
No. of bus. loans under $100,000‡	n.a.	28,599	6,806
Total value of business loans under $100,000 ($million)‡	n.a.	400	190

Source: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/sbl_08study.pdf, Table 4b.) n.a. not available.
† Latest available data; certain figures are economywide. ‡Data are for CRA loans.

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Table 1. Firms and Employment in South Dakota by Industry and Firm Size, 2006 and 2007 (Nonfarm, Thousands)

Industry	Nonemployer Firms (2007)	Employer Firms (2006)			Employment (2006)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	57.8	21.9	18.9	21.2	325.1	77.8	205.5
Forestry, etc. and agriculture support	1.8	0.1	0.1	0.1	(D)	0.3	(D)
Mining	0.1	0.1	0.0	0.1	0.9	(D)	(D)
Utilities	0.1	0.1	0.0	0.1	(D)	0.3	(D)
Construction	7.6	3.3	3.1	3.3	18.9	11.0	18.5
Manufacturing	0.9	0.9	0.6	0.9	42.2	3.2	19.3
Wholesale trade	0.9	1.1	0.7	1.0	14.7	3.6	11.7
Retail trade	7.6	3.3	2.8	3.2	51.5	14.1	30.1
Transportation and warehousing	3.1	1.0	0.9	0.9	8.5	2.7	6.1
Information	0.6	0.3	0.2	0.3	6.9	1.0	3.4
Finance and insurance	2.7	1.2	1.0	1.1	27.2	3.3	9.2
Real estate and rental and leasing	4.9	0.8	0.7	0.8	4.2	2.0	3.6
Professional, scientific, and technical svcs.	5.5	1.7	1.5	1.6	10.2	5.3	8.4
Management of companies and enterprises	--	0.1	0.0	0.1	4.3	0.0	1.5
Admin., support, waste mgt., remed. svcs.	3.6	0.9	0.8	0.9	10.9	2.6	7.1
Educational services	1.3	0.2	0.1	0.2	8.0	0.7	6.1
Health care and social assistance	5.2	1.8	1.4	1.7	57.3	7.0	28.9
Arts, entertainment, and recreation	3.0	0.6	0.6	0.6	6.5	2.4	6.1
Accommodation and food services	0.9	2.1	1.6	2.0	36.1	8.8	29.7
Other services (except public admin.)	8.1	2.6	2.4	2.6	14.3	9.2	13.5
Unclassified	--	0.1	0.1	0.1	(D)	(D)	(D)

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)
(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2003–2006 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2003 - 2004	8,432	3,329	1,180	365	773	1,592	7,239	1,193
2004 - 2005	3,358	3,082	1,052	353	-488	441	4,440	-1,082
2005 - 2006	12,859	3,790	489	765	550	2,585	8,179	4,680

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2008 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	1.1	5.8	5.7	1.2	3.1	18.9	16.3	3.1
Quarter 2	1.1	5.6	5.8	1.1	4.2	17.1	18.2	3.5
Quarter 3	1.1	5.7	5.7	1.0	3.9	17.2	17.9	2.9
Quarter 4	1.1	5.4	6.0	1.1	3.5	17.4	18.9	3.8

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/home.htm.)
Note: These figures contain all firm sizes; Census data from 2006 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.

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Appendix B – Letters of Support

Terri Schuver, Owner, Sticks and Steel/Prairie Dance, Inc.

Roxie Loftesness, President AvailAbility Employment Services

Chuck Hughes, Deputy District Director, US Small Business Administration

December 13, 2010

South Dakota State Board of Education,
800 Governors Drive
Pierre, SD 57501

Dear Board of Education,

As a member of the STI advisory council and small business owner, I was glad to hear of their plans to introduce an Entrepreneurship Degree. In these times, when technology allows a business to startup with minimal cash/investment, it seems important to increase the likelihood of success of these businesses.

Offering students the basic tools of business management in the form of classes would certainly allow students to be exposed to the opportunities and challenges they will face. Entrepreneurs are full of ideas, but often lack the foundation for success. This program appears to give them that groundwork.

I support the development of the program and encourage you to do the same.

Warm regards,

Terri Schuver
Sticks and Steel/Prairie Dance, Inc.
401 E 8th Street #118
Sioux Falls SD 57103

"Experience the AvailAbility difference."

AvailAbility
Employment Services

December 6, 2010

South Dakota State Board of Education
800 Governors Drive
Pierre, SD 57501

To whom it may concern,

This letter is to present my support for the expansion of the Business Administration Program at Southeast Technical Institute to a four program format including Human Resource Management, Entrepreneurship, Business Management and Business Administration.

As a member of the Business Department Advisory Board for over 17 years I have been an advocate of the move to the expansion to these specialized business majors for many years. The complexity of business has evolved as technological, administrative, managerial, compliance and regulatory needs have increased the need for graduates trained in specialized fields that exist within companies.

30 years as a human resource professional has opened my eyes to the tremendous need for degreed professionals in the human resource field. It is a highly compliant area for business and many business owners do not possess the expertise to carry out the detailed elements of human resource management in their companies. In larger organizations human resource departments offer multiple positions ranging from entry level to mid level that would provide expanded opportunities for graduates.

As a business owner, I see that the curriculum offered in the Entrepreneurship degree will provide aspiring business owners the opportunity to graduate equipped with the tools to start and run successful companies, eliminating the need to try and balance "learning the basics" and developing their business. 80% of economic growth depends on the introduction of new business into our economy.

A gap in managerial expertise is already beginning to surface in business. Companies have fallen behind in preparing their workforces to fill the management positions that will open as the "boomers" retire and the economy recovers ushering in the need for staff expansions. A Business Management degree will provide graduates who possess the desire to manage people and projects to equip themselves with tools to enter the rigors of management in a more expedient manner. We can no longer be patient for the history of tenure to be the basis for promotion in our companies.

The Business Administration degree has proven its success in answering the needs of students and business simply by looking at its track record and contribution to the success of Southeast Technical Institute since its inception. Knowledge and skills in foundational business basics has been and will always be sought after. Companies throughout South Dakota and surrounding areas will attest to the quality and successful contributions of graduates from this leading Business Administration program.

With the highly skilled faculty that supports these programs at Southeast Technical Institute and the proven dedication to student success, I see this expansion as a key to unlimited new opportunities for students and companies throughout our state and surrounding areas.

Sincerely,

[redacted]

Roxie Loftesness, President
AvailAbility Employment Services
roxie@availabilityemployment.com
605-336-0353

U.S. Small Business Administration
SBA
Your Small Business Resource

U.S. SMALL BUSINESS ADMINISTRATION
SOUTH DAKOTA DISTRICT OFFICE
2329 NORTH CAREER AVENUE, STE. 105
SIOUX FALLS, SOUTH DAKOTA 57107
VOICE PHONE: 605/330-4243 FAX: 605/330-4215
DISCOVER SOUTH DAKOTA SBA WEBSITE: www.sba.gov/sd

December 1, 2010

STATE OF SOUTH DAKOTA PROGRAM ACCREDIDATION

The Business Administration department at Southeast Technical Institute is proposing program revisions that would serve Sioux Falls and the surrounding area well. During Advisory Board meetings, of which I am a member, we have brainstormed needs of the workforce.

Having a choice between general business and the more specific areas of Management, Entrepreneurship and Human Resources will allow students to be better prepared to fill positions in this market. The addition of classes in social/electronic media and specialized human resource classes will keep the programs vital and current. The specialization of degrees will allow students to better address the work force needs in the business market and continue to encourage entrepreneurship.

As a member of the Advisory Board please consider this my opinion of a practical curriculum and endorsement of the proposed improvements and additions to the Business Administration programs at Southeast Technical Institute.

Sincerely,

[redacted]

Chuck Hughes
Deputy District Director
US Small Business Administration