

## BECOMING AN ENTREPRENEUR

*Although she didn't realize it at the time, Eva Tan became an entrepreneur when she was a high school student in Westerville, Ohio. Follow her story, beginning here and continuing at the end of each unit of the book.*

### Planning for Success

One summer, when Eva was in high school, she helped plan her older sister's wedding. There were so many issues! Invitations, flowers, clothing, and music were just a few of the things that had to be arranged.

Helping the entire process go smoothly was a big challenge, but one that Eva really liked. The reception menu planning was particularly interesting, because Eva's parents came from two very different backgrounds: Irish and Filipino.

The event was a success. After it was over, Eva said, "As my sister's wedding planner, I had to wear many hats. The whole experience helped me realize the importance of problem-solving, paying attention to details, being organized but flexible, and remaining cool under pressure. The wedding took a lot of time and effort, but the results were worth it. My sister was pleased, and I discovered I could do things I didn't know I could."

That fall, back in high school, Eva took an "Introduction to Business" class



as one of her electives. The class, and her experience with her sister's wedding, made her think of creating an event-planning business. She wondered what she could do to develop her skills and gain experience.

Eva began looking for opportunities to volunteer for more event-planning. She helped plan her Junior Prom and organized fund-raising events to finance a senior class trip to Florida.

Her mother, a high school teacher who earned her degree at Ohio State University (OSU), introduced Eva to friends from the university who needed event planning. They began asking Eva to plan small events like birthday parties and baby showers.

Eva's grandmother was a widow who lived with Eva's family. Although Eva's grandmother had never done event planning, she had run a small restaurant with

her husband. Eva had always found her grandmother's stories about the restaurant entertaining, but now Eva began asking her for advice about upcoming events.

### Profiting from a Loss

During her senior year, Eva had difficulty deciding what career route to take after graduation. At the time, event planning seemed more like a hobby than a long-term career goal.

Eva decided to enroll in the two-year Business Management program at Columbus State Community College. She said, "I think the general business courses will be useful, no matter what career path I eventually decide to take." An agreement between Columbus State and OSU would also allow her to transfer her associate degree credits to OSU if she wanted to complete a four-year degree.

One of the first college courses Eva took was "Principles of Microeconomics." Topics such as supply and demand, the role of competition, and the profit motive made her think about the economy in and around Columbus. "With my professor's permission, I fulfilled one of my class requirements by researching how the city's current economy would impact a new event-planning business," she said. "I wanted to find out, economically speaking, what my chances for success were."

Eva continued to work part-time, planning events to help pay for college. Charging for her

services by the hour, Eva researched vendor options, placed orders for goods and services, and coordinated their delivery. She began to wonder if she could increase her profits by making some of the food and party decorations herself.

To test this, Eva created samples of her food for customers. They loved them! As a result, she landed her first order that included her handmade food items. With her grandmother's help, she filled the order on time and to the customer's satisfaction. Later, after analyzing the cost of her materials, Eva discovered that she had lost money instead of making a profit. In her desire to get the order, she had set the price too low. Eva promised herself that, in the future, she would pay closer attention to her costs and be sure that she made a profit!

### A Business Is Born!

In her college course, Eva learned about different business structures. She made a chart that compared the advantages and disadvantages of each. She decided to set up her part-time service business as a sole proprietorship. It seemed like the simplest and least expensive way to operate for the time being. She named her business "Eva's Entertainment Services," filled out the necessary forms, and obtained a tax I.D. number.

Eva's Entertainment Services was off and running!

### What Would You Have Done?

- 1. Applying Concepts.** How would you have increased your knowledge about event planning if you were in high school, like Eva?
- 2. Analyzing Information.** It costs Eva \$40 in materials to make a table centerpiece. It takes her half an hour to make the centerpiece. She charges her client \$50 for it. What would you charge? Why?
- 3. Drawing Conclusions.** If you were Eva, would you have set up the company as a sole proprietorship?