

TEACHER'S GUIDE

INVENTING *the* FUTURE

Entrepreneurs,
Venture Capitalists
and the American
Dream



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Video Page



Inventing the Future

Teacher's Guide

This Teacher's Guide includes the following:

- Suggested Lesson Plan
- Preview Questions
- Key Terms
- Viewing Guide Worksheet
- Discussion Questions
- Quiz
- Activity: Who Chooses?
- Enrichment Activities
- Answer Key

Suggested Lesson Plan

These materials may be used in a variety of ways. For maximum benefit, we suggest the following lesson plan:

- As a class, discuss the Preview Questions and Key Terms.
- Distribute copies of the Viewing Guide for students to use as a note-taking tool during the video.
- Play the video, pausing if needed to facilitate understanding and note-taking.
- Review and discuss answers to the Viewing Guide, using the Answer Key as a guide.
- Use Discussion Questions to spark class discussion, or assign these questions as homework.
- Replay the video as preparation for the Quiz.
- Administer and grade the Quiz, using the Answer Key as a guide.
- Use the Activity for class discussion, as a small group exercise, or as an individual writing assignment.
- Optional: Assign one or more of the Enrichment Activities.

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Preview Questions

(These questions are meant to be read aloud by the teacher.)

1. What do you think the film's title means?
2. What does it take to launch a successful business, besides a great idea?
3. If someone asked you to invest in their new business, how would you decide whether to do it?

Key Terms and Definitions

1. Entrepreneur – a person who innovates and decides which projects to undertake. A successful entrepreneur's actions will increase the value of resources and expand the size of the economic pie.
2. Investment – putting money into something with the expectation of gain, usually over a longer term. Most or all forms of investment involve some form of risk. There is a trade-off between risk and expected return.
3. Risk – (exposure to) the possibility of loss, injury, or other adverse or unwelcome circumstance; a chance or situation involving such a possibility
4. Venture capital – money provided to early-stage, high-potential, high-risk, growth startup companies. Venture capital is attractive for new companies with limited operating history that are too small to raise capital in the public markets and have not reached the point where they are able to secure a bank loan. In exchange for the high risk that venture capitalists assume by investing in smaller and less mature companies, venture capitalists usually get significant control over company decisions, in addition to a significant portion of the company's ownership (and consequently value).

Name: _____

Date: _____

Inventing the Future Viewing Guide, page 1

1. _____ is when people invest a big chunk of money to help start or expand a business.

2. These are the people who are behind most of the recent _____ in communication, computer and medical technology.

3. American _____ backed by venture capitalists continue to improve the lives of millions of people.

4. A handful of men ... stirred up a revolution in finance and technology, because they saw opportunity where others only saw _____.

5. 21-year-old Steve Jobs had partnered with Steve Wozniak to create a circuit board kit they called the _____.

6. "They offered me a third of Apple Computer for _____ and I said, 'Gee, I don't think so.'"

7. Mike Markkula came out of retirement becoming the president and CEO of _____.

Name: _____

Date: _____

Inventing the Future **Viewing Guide, page 2**

8. Dick Kramlich had been listening to endless pitches from _____ entrepreneurs.

9. While the Forethought team was working on _____, the company was giving its venture capitalists cause to worry.

10. Despite his partners' _____, Dick Kramlich wasn't ready to let PowerPoint go so easily.

11. Cisco's product was called a _____ and it solved a very big problem.

12. As Cisco grew, a _____ developed between the original employees and the new hires.

13. _____ keeps evolving, and ever since Leonardo da Vinci it's been evolving, and it will continue to evolve.

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Discussion Questions

1. In what sense are venture capitalists and the entrepreneurs they finance “inventing the future”?
2. Why do some people invest their money in new ideas, even though there’s no guarantee of success?
3. Why do you think venture capital backing entrepreneurs is an essentially American phenomenon?
4. What kind of background did the men profiled in this program have before they became venture capitalists?
5. “They saw opportunity where others only saw risk.” Explain.
6. What was happening in 1976 that represented the opportunity of a lifetime for venture capitalists?
7. Why did Nolan Bushnell turn down the opportunity to acquire one third of Apple Computer for \$50,000?
8. Why did Steve Jobs and Steve Wozniak need Mike Markkula’s help? Why was Markkula willing to help them?
9. What new kind of company emerged in Silicon Valley in the early 1980s?
10. Why did Dick Kramlich invest his own money in PowerPoint?
11. What problem did Cisco’s new router solve in 1984?
12. What was the status of the Internet in 1984?
13. Why did Cisco’s investors fire the founders of the company?
14. What kind of challenges did the venture capitalists encounter in dealing with the entrepreneurs profiled in the film?
15. Why do venture capitalists have so much say in how the companies they invest in are run?
16. “Technology keeps evolving...and it will continue to evolve.” Do you think this is true? Why/why not?

Name: _____

Date: _____

Inventing the Future Quiz, page 1

1. Someone who provides money to high-risk startup companies is _____.
 - A) A software engineer
 - B) An entrepreneur
 - C) A venture capitalist
 - D) Crazy

2. The advent of the _____ in 1976 presented the opportunity of a lifetime for venture capitalists.
 - A) Internet
 - B) Personal computer
 - C) Cell phone
 - D) Router

3. Who benefits when American entrepreneurs are backed by venture capitalists?
 - A) Only the entrepreneurs
 - B) Only the venture capitalists
 - C) Only Americans
 - D) Millions of people worldwide

4. 21-year old Steve Jobs and partner Steve Wozniak created a circuit board kit called _____.
 - A) The iPhone
 - B) The Macintosh
 - C) The Newton
 - D) The Apple One

5. In 1984, Cisco Systems made a product called _____ that solved a big problem.
 - A) A router
 - B) A computer
 - C) A cell phone
 - D) PowerPoint

Name: _____

Date: _____

Inventing the Future Quiz, page 2

6. The company that created PowerPoint _____.
- A) Was owned by Apple Computer
 - B) Eventually sold it to Microsoft
 - C) Didn't need any venture capital
 - D) Didn't think the product would be successful
7. A handful of men stirred up a revolution in finance and technology, because they saw opportunity where others only saw _____.
- A) Risk
 - B) Money
 - C) Venture capital
 - D) Hard work
8. As Cisco grew, a _____ developed within the company.
- A) Sense of entitlement
 - B) Fear of failure
 - C) Positive working environment
 - D) Culture clash
9. Atari CEO Nolan Bushnell turned down the chance to buy one third of Apple Computer for _____.
- A) \$500
 - B) \$5000
 - C) \$50,000
 - D) \$5 million
10. Venture capitalists are behind most of the recent advances in _____.
- A) Communication
 - B) Computers
 - C) Medical technology
 - D) All of the above

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Activity:

Who chooses? Who benefits? Who pays? What's fair?

[These four questions can be a useful tool for evaluating any policy or system. Posing the questions is a great way to stimulate critical thinking.]

As a class, or in small groups, discuss the following:

(For each question, think broadly about all the possible groups of people who may be affected.)

When venture capitalists work with entrepreneurs –

- Who chooses or decides which ideas to invest in?
- Who decides whether the new product or service succeeds in the marketplace?
- Who benefits if the new company becomes a success?
- Who pays for the investment?
- Who loses if the startup fails?
- Is the above arrangement fair? Why/why not?

Inventing the Future **Enrichment Activities**

- I. Research/Presentation – What else did Leonardo da Vinci do besides paint the Mona Lisa? Create a PowerPoint presentation showing his inventions and scientific discoveries.

- II. Research/Report – Research and create a report on Cisco Systems, Inc. What happened to the company after the original founders were fired? Do they still make routers? What were some important milestones in the company’s growth? What are the company’s important products today? What is the company worth? How do Cisco’s products affect people’s lives? Present your findings in a written or oral report.

- III. Research/Calculation – “They offered me a third of Apple Computer for \$50,000 and I said, ‘Gee, I don’t think so.’ Big mistake.”—Nolan Bushnell

If Nolan Bushnell had taken this offer, what would his investment be worth today? What would his return on investment have been in percentage terms?

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Viewing Guide Answer Key

1. Venture capital
2. Advances
3. Entrepreneurs
4. Risk
5. Apple 1
6. \$50,000
7. Apple
8. Software
9. PowerPoint
10. Doubts
11. Router
12. Culture clash
13. Technology

Quiz Answer Key

1. C) a venture capitalist
2. B) personal computer
3. D) millions of people worldwide
4. D) the Apple One
5. A) a router
6. B) eventually sold it to Microsoft
7. A) risk
8. D) culture clash
9. C) \$50,000
10. D) all of the above

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