



Developing Qualities of an Entrepreneur

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Identify the traits of an entrepreneur and assess your own entrepreneurial capabilities
- ✓ Outline and evaluate a business idea

Developing Qualities of an Entrepreneur

Traits of an Entrepreneur

What It Takes to Make It

Pre-Assignment Review

Did any of your answers surprise you?

If so, why?

Did you identify anything that you want to change from this assessment?

If so, what?

How do you think these questions tie into entrepreneurship?

Traits of an Entrepreneur

All of the statements in the pre-assignment are important attitudes for an entrepreneur. Let's look at each item.

Risk Taker

Entrepreneurs need to be willing to take risks, such as:

- Financial risks (where they have invested their savings into a new business)
- Personal risks (where their family's survival depends on the success of the new business)
- Professional risks (where their reputation is riding on the new venture)
- And/or emotional risks (where they are putting themselves out there in a big way)

Opportunity Seeker

Entrepreneurs look at problems as opportunities. After all, a competitor's failure might just be the opportunity for your next big success.

Action-Oriented

Entrepreneurs get things done. They're focused on action plans and results. Unfortunately, this means that some entrepreneurs don't look before they leap!

Contagiously Enthusiastic

Entrepreneurs enjoy what they are doing, and their enthusiasm is often contagious. A small business is often a lot of time and work. If you don't enjoy it, it won't work.

Open-Minded

Entrepreneurs consider new ways of getting things done. They are also willing to ask for help and are able to learn from their mistakes.

Driven by Vision

Entrepreneurs keep the big picture in mind. They know where they want to end up and how they want to get there. This is what keeps them motivated and moving.

Hard Worker

Small businesses can require some long hours and intense work. Entrepreneurs don't mind putting in extra time and making sacrifices to reach their goal.

Bus Driver

Entrepreneurs like to be driving the bus. They also like to choose who is on the bus and what seat they are in. Successful entrepreneurs know how to surround themselves with smart people who can complement their own strengths and weaknesses.

Passionate About the Cause

Most entrepreneurs start their business based on something that they are passionate about. This passion and enthusiasm is necessary to keep motivation high and get people on board.

Social Animal

Most entrepreneurs enjoy working with people. A new business can require a lot of help from family, friends, employees, resources, mentors, and, of course, customers.

Resources to Consider

Your entrepreneurship journey probably won't be an easy one. There are a lot of things to consider and a lot of things to learn. Luckily, there are many resources out there that can help you get started. What you will find will largely depend on your geographical area and industry, but here are some general ideas.

Friends and Family

First, gather the support of your friends and family. You will need their encouragement during your journey. As well, you may find some unexpected hands-on help in your circle of friends. Remember that word of mouth is one of the most effective tools for generating buzz about your new business.

Books, Magazines, Industry Publications, and Social Media

There are many magazines and books dedicated to entrepreneurship, so check them out! You may also want to join appropriate groups on social media to get some more ideas.

Remember to take information that you read with a grain of salt. If you're trying to find information on writing a business plan, for example, you'll hear that business plans are no good, a one-page business plan will do, and every business needs a full 100-page plan. What's the truth? It all depends on what you're trying to do.

Training

This course is an excellent start to your entrepreneurial journey, but don't let the learning stop here. More courses may be a good idea (depending on your business). As well, consider free webinars, lunch and learns, and networking events. Information is power!

Mentors, Coaches, and Consultants

Charlie "Tremendous" Jones once said, "Mentors tend not to show up unless you ask them." Find someone who is experienced (preferably in your geographical area and industry) and has had both successes and failures. Ask them to guide you and they will probably say yes. After all, entrepreneurs like risks and challenges, and what is more exciting than a brand new business?

As well, there are many professional coaches and consultants out there for entrepreneurs. If you're struggling with your journey, you may want to seek professional help.

Government Organizations

Most governments have agencies dedicated to helping small businesses succeed. Contact each level of government in your area and see what they have to offer.

Chamber of Commerce

Your local chamber of commerce can also be an excellent resource. They may offer support programs, training, mentors, and financial assistance. Even if your chamber of commerce does not have small business programs in place, it can be a great way to network and meet businesspeople in your area.

Business Groups

Networking groups, public speaking associations, mastermind groups, and industry-specific associations can all be an excellent resource in getting your business established and spreading the word about what you're doing. Getting your foot in the door early is important.

Special Programs

Large businesses sometimes offer assistance to startup companies, such as resources, information, or money. Local entrepreneurs and entrepreneurial organizations may be able to help you identify these opportunities.

What other resources can you think of?

Laying the Groundwork

Finding Business Ideas

What Am I Good At?

If you're considering starting your own business, it makes sense to start with what you know. Ask yourself:

- What do I enjoy doing?
- What am I good at?
- What feedback have I gotten from others? (For example, have your friends always said, "These cookies are so good, they should be in a bakery!"?)

What Other Skills Do I Have?

When considering your skills, think outside the box. For example, a carpenter may also be good at project management, design, communication, and math. A salesperson may have skills in persuasion, sales, influence, and negotiation.

What Can I Make Money At?

Ken Blanchard once said, "If nobody will pay you to do what you love, you have a hobby, not a career."

How can you turn your skills into a marketable product? Consider these examples:

- If you love coin collecting, people may not pay to hear you speak about how exciting it is as a hobby, but they might pay you to assess the value of coins.
- If you're an experienced salesperson, you might be able to use those skills as a sales consultant.
- If you've recently lost a lot of weight, people might be interested in how you did it, so that they can lose weight too.

What Problems Exist?

Next, consider how your useful skill (which is now a product) will help solve a problem in the marketplace, and therefore appeal to customers. Here are some ways that you can get ideas:

- Look for inefficiencies in existing services. Maybe people love the local bakeries and markets in your area, but dislike the early hours, long lineups, and lack of parking. Perhaps there is an opportunity for a delivery service!

- Listen to what people are saying. If, for example, the lack of parking at the local market drives you crazy, but you've never heard anyone else complain about it, it might not be much of an opportunity.
- Look for new ways that you can tap into current markets. For example, there are plenty of handbag and luggage lines out there, but Lug designs particular bags for particular purposes.
- Keep your eye on new technologies and offerings. For example, when IKEA opens in a new city, assembly, delivery, and repair businesses also pop up.
- Consider spin-off opportunities and related products. For example, a piano sales company might want to start offering piano lessons. Or perhaps they'd like to partner with someone to offer the service.
- Put different things together in new ways. For example, people used to go to a separate butcher, fishmonger, and farmer to do their grocery shopping. Then, supermarkets started emerging, offering one-stop shopping.

What If I Already Have a Business Idea?

If you have a business idea, or the beginnings of a small business (like a free newsletter), going through an exercise like this one is even more important. Seriously considering what you want to do with your business and how it will make money will help ensure that you're on the right track. You may find bigger, better ideas that will make your small business more successful than you ever imagined.

Considering the Options, Part One

What Am I Good At?

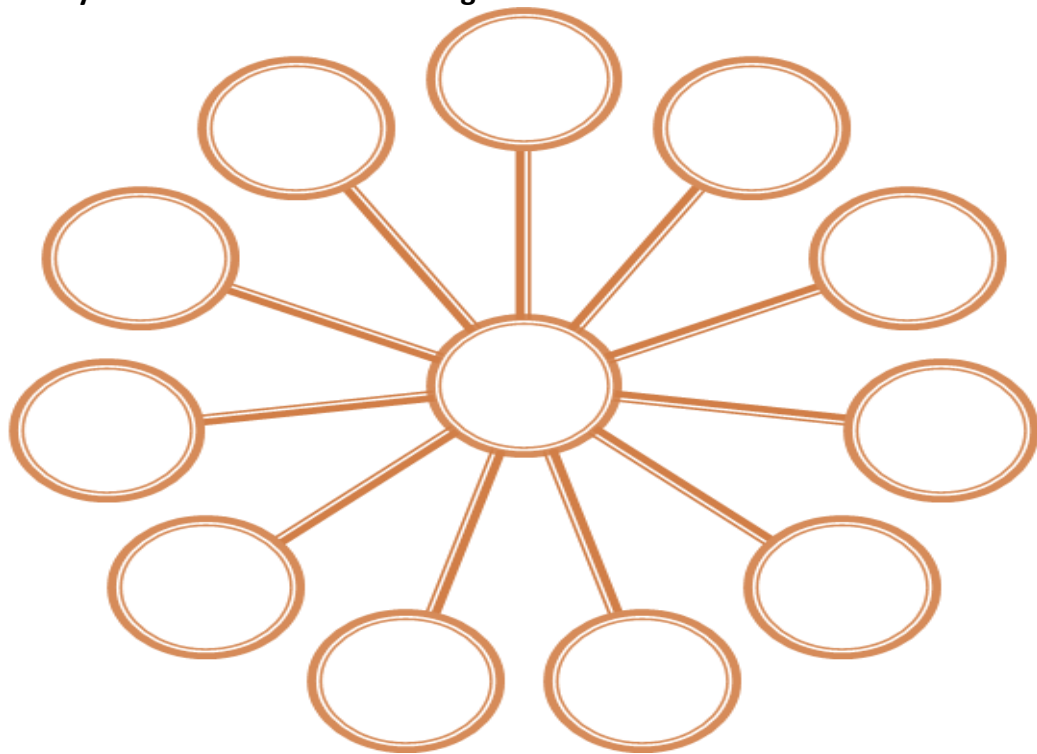
What do I enjoy doing?

What am I good at?

What feedback have I gotten from others?

What Other Skills Do I Have?

Write your primary skill in the center of the diagram. Write related skills in the outer circles.



What Problems Exist?

Can you think of inefficiencies in existing services?

What problems have you heard people talking about? How could you offer a product or service to solve those problems?

In what new ways can you tap into current markets?

What new technologies and offerings have you seen lately?

What spin-off opportunities exist?

How can you assemble or offer current products in new ways?

What If I Already Have a Business Idea?

What business idea(s) do you already have?

What business elements have you already established?

What role do these ideas and elements play in your long-term business plan?

Outlining Your Ideas

By now, you should have some solid business ideas. Now it's time to outline each idea to help you evaluate what your best option is.

Some questions that you should ask yourself include:

- What does my product or service look like?
- What problem is this product or service solving?
- How do I know that others would be interested in this product or service?
- Who would my customers be?
- Is there an opportunity to turn the product or service into a customer-focused experience?
- Can I make a profit from this product or service?

The amount of research that you do for each question will depend on many factors, including the size and complexity of your small business. If you're planning on building a giant IT company based around a brand-new technology, then you will want to spend quite a bit of time outlining each idea that you have. You may even want to invest in research tools, like focus groups and consultants, to validate your ideas. However, if you're planning a small, online business, then your research might be on a smaller scale. You might want to focus on a few possible customers, mentors, and other entrepreneurs.

Make sure that you ask the right questions of the right people. Asking your family and friends if they think your business might make a profit might not be appropriate, but asking them who would buy your product or service might be.

Finally, remember that opinions and advice are just that. Evaluate each piece of information you receive, decide if it's valid, and then decide whether it belongs in your idea outline.

What additional questions might you want to ask about your prospective business?

Considering the Options, Part Two

Getting Started

Write down your top two or three ideas from the “Considering the Options, Part One” activity.

Now, complete a worksheet for each idea.

Idea One: _____

What does my product or service look like?

What problem is this product or service solving?

How do I know that others would be interested in this product or service?

Who would my customers be?

Is there an opportunity to turn the product or service into a customer-focused experience?

Can I make a profit from this product or service?

Idea Two: _____

What does my product or service look like?

What problem is this product or service solving?

How do I know that others would be interested in this product or service?

Who would my customers be?

Is there an opportunity to turn the product or service into a customer-focused experience?

Can I make a profit from this product or service?

Idea Three: _____

What does my product or service look like?

What problem is this product or service solving?

How do I know that others would be interested in this product or service?

Who would my customers be?

Is there an opportunity to turn the product or service into a customer-focused experience?

Can I make a profit from this product or service?

Assessing Your Ideas

Using a SWOT Analysis

Your next step should be to assess each idea that you have outlined. One of the best ways to do this is a SWOT analysis. SWOT stands for the strengths, weaknesses, opportunities, and threats (in this case, of your potential company). The strengths and weaknesses are usually considered to be internal, while the opportunities and threats are generally external to the company. This analysis helps you ask yourself, “Where are you now?” This gives you an opportunity to take stock of the overall situation before committing to a particular idea.

Make sure that you are ready to spend a bit of time when you undertake a SWOT analysis so that you are producing an accurate description of your business idea. Be sure to gather accurate data, do research, and consult experts in your field. Once you’ve done a first draft of your SWOT analysis, have a trusted mentor, coach, or consultant review and analyze it.

SWOT Matrix

A SWOT analysis is often organized using this type of matrix:

	<i>INTERNAL</i>	<i>EXTERNAL</i>
<i>P O S I T I V E</i>	Strengths	Opportunities
<i>N E G A T I V E</i>	Weaknesses	Threats

Advanced Types of SWOT Analyses

After you’ve chosen a business idea, you can analyze specific segments of it using the SWOT process. Here are some ideas:

- Your company within your geographic marketplace
- Your company within your industry
- Your products and/or services
- The community and what is currently going on that may affect future planning
- Your primary and secondary target markets and what they want/need
- The competition and what they are doing
- External forces that will affect your business
- Environmental factors
- Human resources (including the availability of employees, safety issues, etc.)

Considering the Options, Part Three

Complete a SWOT analysis of your favorite idea from the “Considering the Options, Part Two” exercise.

	<i>INTERNAL</i>	<i>EXTERNAL</i>
<i>P O S I T I V E</i>	Strengths	Opportunities
<i>N E G A T I V E</i>	Weaknesses	Threats

Evaluating Your Capacity for Risk

How Much Risk Can You Tolerate?

A final element to consider before committing to a business idea is how much risk you can tolerate. After all, it could be several years before your business becomes profitable.

Consider this story. Bob and Anna Jones opened Jones' Pub in 2015. For the first few years, Bob tended bar and Anna waited tables. Although their business barely broke even, they managed to survive on their tips. After all, it was just the two of them and their lifestyle was pretty frugal.

However, eight years later Bob and Anna decided to open a second location. By now, their first location was doing well enough to support themselves, their two young children, two new cars, and a home in a nice neighborhood. However, this also meant that they needed success from the second location faster: living off of tips is no longer an option. As a result, their business plan and sales targets for the second location looked much different than the first location.

There Are Options!

This doesn't mean that you have to commit to living in a box for five years and give up your lifestyle in order to be an entrepreneur. It just means that you have to be realistic! Consider these scenarios:

- In his spare time, Steve writes a blog about healthy living. When he gets laid off, he decides to focus on it full time and try to make money from it. After all, he has nothing to lose!
- Amanda's full-time position as a sales executive helps feed her family of four. She has decided to start her small business slowly, by offering consulting on nights and weekends.
- Tina and Sam travel frequently and work shiftwork. They've decided to start a travel consulting service that they can both contribute to in their off hours. Their goal is for one, and then both, of them to quit their full-time jobs and make their small business their primary source of income.
- David wants to buy a house in the next year. He enjoys photography, so he decides to do some freelance work to help with the down payment.

Caution!

If you decide to start your entrepreneurial journey while working full-time, there are a few things to consider. The first is burnout. Juggling a full-time job, family responsibilities, a social life, and your personal needs can be difficult to begin with. Adding a new business on top of that can be quite overwhelming. Be clear about what you are taking on and what it will mean to your friends and family.

As well, make sure that your new business will not cause problems with your current employer. Non-compete contracts, professional regulations, union policies, and non-disclosure agreements can all affect what you do in your spare time. Check with a labor lawyer to be sure.

Further Reading:

- ✓ *Baca, Claudia M. Project Management for Mere Mortals. Pearson Education, 2007.*
- ✓ *Baker, Kim, and Sunny Baker. The Complete Idiot's Guide to Project Management (4th Edition). Alpha Publishing, 2007.*