

# Entrepreneurship

*2nd Edition*



**A REAL-WORLD APPROACH**



# Praise for Books from PlanningShop

## Entrepreneurship: A Real-World Approach

“What separates Rhonda Abrams from the crowd? She is an expert in building successful small businesses. And she continues to create timely, meaningful and (most importantly) useful content for academics, students, and business owners like myself. This book is the definitive guide for anyone who either wants to be an entrepreneur or just wants to grow their own business.”

— *Gene Marks, New York Times small business columnist*

“The book is an EXCELLENT RESOURCE. It should become the definitive reference guide for all small business owners, simply because all issues are addressed in a very proactive manner, with worksheets that help collect information for decision making. I intend to use it and recommend it at every opportunity.”

— *Pat Newcomb, Entrepreneurship Instructor, Antioch University Midwest*

## PlanningShop

“PlanningShop has been invaluable to our organization. We use PlanningShop materials for our entrepreneur classes because the content is comprehensive and constantly updated.”

— *Ken Freeman, Director Small Business Development Center, Yuba Community College District*

## Bringing the Cloud Down to Earth

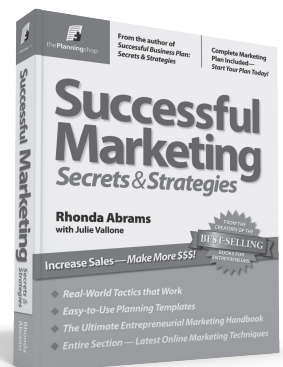
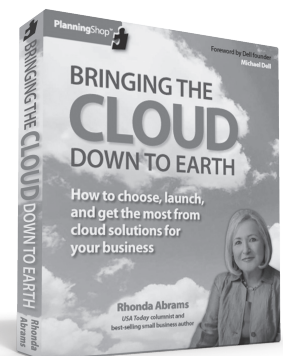
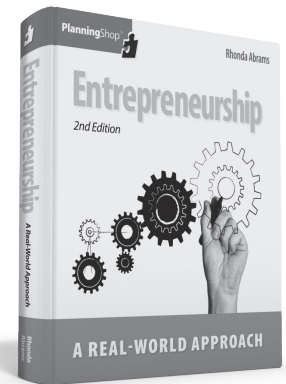
“No matter how you refer to it, working in the Cloud is a fundamental business practice these days and Abrams has done a terrific job of making this sometimes confusing subject relevant and practical for businesses of all shapes and sizes.”

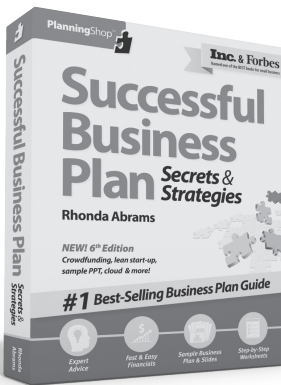
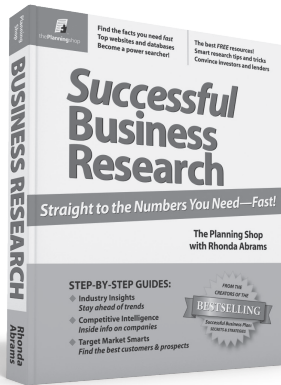
— *John Jantsch, author of Duct Tape Marketing and The Referral Engine*

## Successful Marketing: Secrets & Strategies

“Successful Marketing encourages students to think through standard marketing concepts while applying them directly to their business idea.”

— *Meredith Carpenter, Entrepreneurship Instructor, Haywood Community College*





## Successful Business Research

“At last, a straightforward book that demystifies the process behind conducting effective business research ... gives business practitioners and students an incredibly useful tool to enable them to find accurate and timely information for business plans, academic papers, and other business uses.”

— Molly Lavik, Practitioner Faculty of Marketing, Graziadio School of Business and Management, Pepperdine University

## Successful Business Plan: Secrets & Strategies

“[*Successful Business Plan* is] user-friendly and exhaustive...highly recommended. Abrams’ book works because she tirelessly researched the subject. Most how-to books on entrepreneurship aren’t worth a dime; among the thousands of small business titles, Abrams’ [is an] exception.”

— Forbes Magazine

“There are plenty of decent business-plan guides out there, but Abrams’ was a cut above the others I saw. *Successful Business Plan* won points with me because it was thorough and well organized, with handy worksheets and good quotes. Also, Abrams does a better job than most at explaining the business plan as a planning tool rather than a formulaic exercise. Well done.”

— Inc. Magazine

“We are again using *Successful Business Plan* in my business honors course this semester. Must be working, as Penn State was just named (by Kaplan and *Newsweek* magazine) as the ‘hottest school in the U.S. for student entrepreneurs!’”

— Greg Pierce, Penn State University

“*Successful Business Plan* enables my Entrepreneurship students at the University of Vermont to develop really great business plans. The book’s easy-to-follow, step-by-step format makes preparing a plan logical and understandable. Over the years...several students have actually launched their businesses successfully. Our son used the book at St. Michael’s College in Vermont to develop a plan for airport fitness centers, winning the school’s annual business plan competition for business majors...with a hefty cash prize! His plan was so thorough, especially the financials, that he was flown to the West Coast to present his plan to a prospective buyer. The bottom line, there is no better road map to business plan success than *Successful Business Plan!*”

— David Kaufman, University of Vermont

“*Successful Business Plan* was an excellent learning tool for me at the University of Vermont and proved to be incredibly valuable as I started my own business after graduation. The step-by-step guidance through business

planning ensures that you have all your bases covered before investing time and money in a new enterprise. The book helped me start a promotional products business and I have since recommended this book to dozens of other entrepreneurs who have used it for everything from restaurants to fashion boutiques. If you are considering starting your first, second, third or tenth business you need to look at *Successful Business Plan!* ”

— *Issa Sawabini, University of Vermont, '99*  
*Partner, Monitor Premiums LLC*

“If you'd like something that goes beyond the mere construction of your plan and is more fun to use, try *Successful Business Plan: Secrets and Strategies*, by Rhonda Abrams...this book can take the pain out of the process. ”

— *“Small Business School,” PBS television show*

“*Successful Business Plan* is easy to follow and comprehensive. From the first chapter to the last, it guides you through the business planning process with a proven systematic approach. ”

— *Sean S. Murphy, Ernst & Young LLP*

“As a 20 plus year veteran SBDC director, consultant and entrepreneurship instructor, I have assisted thousands of individuals and business owners through the planning process. Having reviewed tens of thousands of plans and critiquing hundreds of planning texts, programs and tools, *Successful Business Plan: Secrets & Strategies* remains my hands-down favorite text/workbook/guide. The content and construction is comprehensive, practical and 'do-able' for the serious small business owner/entrepreneur. ”

— *David Gay, Illinois Small Business Development*  
*Center at College of DuPage*

“In my opinion, your book is the definitive guide for successful business plans. I particularly appreciate and recommend the use of the Flow-Through Financial worksheets. Each is a great device to illustrate the connection between the qualitative and quantitative elements of a plan. ”

— *Gene Elliott, Business Consultant, New Mexico*

“I've been using and promoting *Successful Business Plan* since 1993, and it's great! I've taught business plan writing in several local SBDCs, as well as nationally, through the Neighborhood Reinvestment Training Institute. My course is designed and delivered around your book. ”

— *Ransom S. Stafford, Business Consultant, Twin Cities, MN*

“One of the best books on business planning. The overall quality of this book is excellent, but three things make it stand out: First, it contains worksheets that walk you through the information gathering process. Fill them out, and even the financials—always the hardest part of a plan—will

fall right into place. Second, it has a sample plan that reads like a real business plan, written by a real person for a real business. You can use much of the wording in your own plan. Third, it has tips from successful managers, leaders, and business owners, large and small. I was especially fascinated reading the tips from ex-49'er head coach Bill Walsh. You can't go wrong following his advice on planning and organizing! ””

— *Economic Chamber of Macedonia*

”” *Successful Business Plan* is thorough, well-organized, and a very useful tool for business planning and development. It's an excellent guide to the details involved with creating a solid, useful business plan. ””

— *Jim Jindrick, The Institute of Electrical and Electronics Engineers and the University of Arizona*

”” I chose *Successful Business Plan* because of its ease of use, its clarity, and its good examples. I have used the book for a number of years now. ””

— *Jean Morris, The Culinary Institute of America*

”” It has a clearly defined, comprehensive approach. ””

— *Zane Swanson, Emporia State University, KS*

”” Here at the SBDC we offer clients an eight-week business planning counseling program called Business Plan Expedited (BPE). BPE is structured around *Successful Business Plan*—the end result is a well-written business plan that can be used as a part of a business loan application package. I specifically chose this text because I used it, per recommendation from my graduate school advisor, for my MBA project in graduate school 13 years ago! ””

— *Indria Gillespie, Sierra College SBDC*

”” Your book has been both an inspirational read as well as a comprehensive guide for starting my business. Being relatively inexperienced with entrepreneurship, your book has not only given me the ability to create a solid roadmap for planning, but has also provided an encouraging and easy way to cope with the enormous amount of information and organization needed. I particularly enjoy the various quotes from business professionals who have had experience in business planning. They give precious insight and different viewpoints that I would not have seen. Thank you for writing this book! ””

— *Simon Lee, Entrepreneur*

”” It combines, in a very clear way, both aspects of business planning and effective writing of business plans. The book is very well written. The forms are very useful. ””

— *Eyal Yaniv, Bar Ilan University, Israel*

PlanningShop™



PlanningShop  
Palo Alto, California

Rhonda Abrams

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*2nd Edition*



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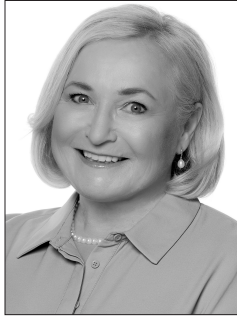
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# About the Author



Entrepreneur, author, and nationally syndicated columnist **Rhonda Abrams** is widely recognized as a leading expert on entrepreneurship and small business. Rhonda's column for *USA Today*, "Successful Strategies," is the most widely distributed column on small business and entrepreneurship in the United States, reaching tens of millions of readers each week.

Rhonda's books have been used by millions of entrepreneurs. Her first book, *Successful Business Plan: Secrets & Strategies*, is the best-selling business plan guide in America. It was named one of the top 10 business books for entrepreneurs by both *Forbes* and *Inc.* magazines. She is also the author of more than a dozen other books on entrepreneurship and has sold more than two million copies of her books. Rhonda's other books are perennial best sellers, with three of them having reached the nationally recognized "Top 50 Business Best-Seller" list.

Rhonda not only writes about business—she lives it! As the founder of three successful companies, Rhonda has accumulated an extraordinary depth of experience and a real-life understanding of the challenges facing entrepreneurs. Rhonda first founded a management consulting practice working with clients ranging from one-person start-ups to Fortune 500 companies. An early web pioneer, she founded a website for small business that she later sold. Today, Rhonda is CEO of the publishing company PlanningShop, which focuses exclusively on the topics of business planning, entrepreneurship, and new business development. PlanningShop is America's leading academic publisher in the discipline of entrepreneurship.

A popular public speaker, Rhonda regularly addresses leading industry and trade associations, business schools, and corporate conventions and events. Educated at Harvard University and UCLA, Rhonda lives in Palo Alto, California.

## Rhonda Abrams:



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# What Is Entrepreneurship?

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# learning objectives

## In this chapter, you'll learn how to:

- Understand the importance of entrepreneurship
- Recognize the positive contributions of entrepreneurship to society
- Describe the characteristics of successful entrepreneurs
- Recognize the various aspects of change and learn to embrace and leverage them
- Understand the positive aspects of failure
- Define the advantages and disadvantages of entrepreneurship
- Determine personal goals and a company vision



## Entrepreneurship paves a road to personal wealth

On a personal level, entrepreneurship can make an incredible economic impact. Being successful in starting your own business can be a road to financial freedom. In fact, according to the U.S. Federal Reserve, equity in unincorporated businesses—typically the smallest of independent businesses—makes up the second largest share of total household wealth in America, second only to home equity.

## Understanding Entrepreneurship

Do you dream of one day owning your own **business**? Do you have an idea for a new or improved product or service that you hope to turn into a reality—something that people will want, buy, value, and even love?

Do you feel a need to be in control of your own life? To have the opportunity to act on your ideas? Do you want to be your own boss?

Are you able to motivate yourself to work hard, to do well, even without a boss, or teacher, or parent looking over your shoulder? Do you have the persistence to stick with something until you can make it a reality?

Are you willing to risk security—of a job, a paycheck, a manager guiding you, the structure of a workplace—for the excitement and possibility of creating your own company? For the chance to perhaps make a fortune or at least earn a good living?

Are you willing to learn how to handle failure in return for the possibility of independent business success?

Then what you are dreaming about is “entrepreneurship.”

The origin of the word is “entreprendre”—French for “to undertake.” Take a look at that word—“undertake.” Notice that it emphasizes an attempt to act, and not the outcome of that action. You *undertake* something.

This implies that what matters is that you have begun something; you’ve started on a journey. And although traveling on that journey may not always be a smooth ride, at least you’re in the driver’s seat.



## Entrepreneurs change the world

**Entrepreneurs** make enormous contributions to societies around the globe. Fast-growing entrepreneurial **ventures** transform entire economies. Even smaller enterprises make tremendous contributions to the health and stability of their communities.

Entrepreneurial companies produce far more than just money. They also provide:

- **New ideas and innovation.** Although some large corporations have research and development departments, overwhelmingly, new products and services are created and introduced by new small companies. This is certainly true in technology, but it's also true in the entire spectrum of products and services. Many Fortune 500 companies—from computers to cars, cola to cartoons—were started by entrepreneurs with little more than a new and better idea.



### Out with the old, in with the new

The average lifespan of the 500 largest companies—commonly referred to as the “Fortune 500”—is merely 30 years. Only 61 of the 1955 Fortune 500 companies still existed in 2014. By 1983, one-third of companies listed in 1970, only 13 years earlier, had disappeared. So new companies are continually replacing the old.

## en·tre·pre·neur·ship key terms

### Business

An entity organized for the purpose of buying and selling a product, service, knowledge, or other thing of value; a company set up with the intention of making a profit; an activity established to provide income and financial well-being for the business owner.

### Disruption

This occurs when entrepreneurs create new companies that challenge and transform older, established industries. These cutting-edge start-ups apply fresh thinking, develop new business models, and typically use technology to change the way business is done.

### Entrepreneur

An individual who, through their own initiative and hard work, launches a new undertaking—typically a business—that involves risk and uncertainty. Ordinarily, entrepreneurs seize on opportunities, innovate, experiment, and pioneer to bring to market a new, better, less expensive, or somehow improved product or service, or to open up new markets. Many entrepreneurs also aim to advance social goals in their ventures.

### Entrepreneurial thinking

Applying the characteristics of entrepreneurs—such as innovation, creativity, risk-taking, the willingness to accept failure, and fast response time—to other endeavors, such as corporate enterprises, education, and social programs.

### Minimal Viable Product

A product that has been created quickly in order to get it to market as soon as possible. Over time, and based on the experience of actual customers, the product is improved on and refined.

### Risk

In entrepreneurial terms, risk involves uncertainty, with the possibility of encountering unexpected setbacks, suffering losses, and even failing. New ventures present various types of risk, such as market risk in that target customers may not be ready for the product or service; or technology risks in that the necessary technology may not be able to be developed in an acceptable time frame; or execution risks, in that the planned activities may not be able to be carried out.

### Start-up

A term often used for a young business; most often applied when the business has the intent or potential to grow to substantial size.

### Venture

An entrepreneurial undertaking, usually referring to a new business.

### Vision

The ability for an entrepreneur to conceive a company, product, or service that doesn't yet exist, typically in response to a specific need in the market and often in somewhat great detail. A visionary is one who can see possibilities where others do not.

## REAL-WORLD RECAP

### How entrepreneurs change the world

- New ideas and innovation
- New jobs
- New industries
- Middle class income
- Flexibility
- Old values

- **New jobs.** Total new-job creation in the United States is a result of new businesses. In fact, America relies on new businesses to offset the job losses from bigger and older corporations. The Small Business Administration (SBA) estimates that small businesses create 64 percent of all new jobs in the country. Worldwide, substantial job creation is largely a result of new business formation, especially in emerging economies.
- **New industries.** Entrepreneurs not only create new businesses, but when they're incredibly successful, they may even end up creating entire new industries. In recent years, for example, the success of a few social media companies—like Facebook—has fostered the generation of a whole ecosystem based around those companies. This leads to an immense explosion of jobs in related businesses.
- **Middle class income.** In many areas—including rural areas, developing countries, and older regions in the United States—there are no large corporations to provide decent jobs. There, the only path to a middle class lifestyle (or better) is through the creation of one's own business.
- **Flexibility.** Smaller companies can open, close, move, and change focus much more quickly than big corporations. Typically, smaller companies are the first to respond to changing market needs and conditions, and often provide a testing ground for big corporations to learn how they themselves will need to adapt. The smaller companies offer the job opportunities and new products our society needs until big firms figure out how to catch up.
- **Old values.** Big companies get distracted by things such as keeping Wall Street happy, arranging mergers and acquisitions, and rewarding executives with huge bonuses. Newer companies, by contrast, concentrate on the basics: cash flow, profits, providing high-quality products and services, and serving and retaining their customers. Perhaps even more important, owners of newer or smaller businesses know their employees are people, not “human resources,” and need to be treated as such.

Entrepreneurs, in short, make a huge difference. They innovate, pioneering new industries and producing new products. They provide vital services. They support their communities. They create wealth, for the entrepreneurs, the investors, and society. Most important, they create jobs. And when you create jobs—good jobs, with fair pay and good working conditions, where people can take pride in their work and be treated with respect—you change their world, your world, and the world in general.

### Growth of entrepreneurship

Humans have been engaged in entrepreneurial endeavors for thousands of years. It's nothing new for someone to see something that people want to buy and then figure out a way to sell it. It may be part of human nature to be able to identify an opportunity and wish to seize on it, and, through hard work, be motivated to make money in the process.

While it's true that entrepreneurship has been around for a long time, we are now in a golden age of entrepreneurship. Throughout the world, entrepreneurs are making a greater impact than ever before, and gaining the recognition that comes from that impact.

Although much attention is paid to technology-based **start-ups**, especially in places like Silicon Valley in California, the truth is entrepreneurship is flowering in *all* industries and geographic locations around the world. Even concepts that once were the sole province of philanthropists and charitable organizations have now become the interest of entrepreneurs who aim to apply their innovative and strategic thinking to solving some of the globe's most pressing problems.

Indeed, since the earliest part of the 21st century, there has been a ground shift. The best and the brightest in our society, who before might have gone to work for big corporations, now want to start their own ventures, at younger and younger ages. Some of the growth in entrepreneurial desire has certainly come from seeing the example of those who have succeeded—especially young entrepreneurs—who have created whole new industries, transformed the way we live and work, and made fortunes along the way. Seemingly overnight, entrepreneurs have become millionaires—even billionaires—as a result of launching innovative businesses.

Of course, most entrepreneurs never become millionaires. Yet the chance to act on your ideas, to make your own way, to create new products, to invent new services, and to make a difference in the world, has encouraged record numbers of people to become entrepreneurs.

## Factors driving the growth of entrepreneurship

Besides the example of successful entrepreneurs, what's propelling the rapid growth of interest in launching one's own businesses?

- **Less job stability.** The days are long gone when people assumed they would work for one company all their lives. For starters, a large number of businesses today run extraordinarily “lean.” Rather than hiring full-time permanent employees, many businesses opt for part-time personnel or either temporary or contract workers. There has also been a cultural shift in how people view their employment and careers. Most people expect to—want to—change jobs. A person born in the later years of the “baby boom” (1957–1964) held an average number of 11 jobs just between ages 18 and 44.<sup>1</sup> Younger people today are likely to have as many different jobs, if not more. Indeed, it's typical for people in developed countries, especially the United States, to have two, three, or even more “careers” over the course of their lifetimes as their interests change and evolve. With less job stability, there's more opportunity—and more need—to start your own business.



### Eventually everyone is an entrepreneur

Pinning down the number of independent contractors in the U.S. can be difficult, as the Bureau of Labor Statistics does not track this growing group of self-employed workers. A 2014 report from the non-profit Freelancer's Union and Elance-oDesk claims that 53 million Americans now work as freelancers. That translates to 34 percent of the population, up from 31 percent in a 2006 study from US General Accountability Office. With mobile devices, the ability to plug in virtually anywhere, and online marketplaces that match freelancers with customers—Uber, Task Rabbit, and Upwork, for example—expect the number of freelancers to continue to rise.

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1. U.S. Department of Labor, Bureau of Labor Statistics.

## REAL-WORLD RECAP

### The drivers of entrepreneurship

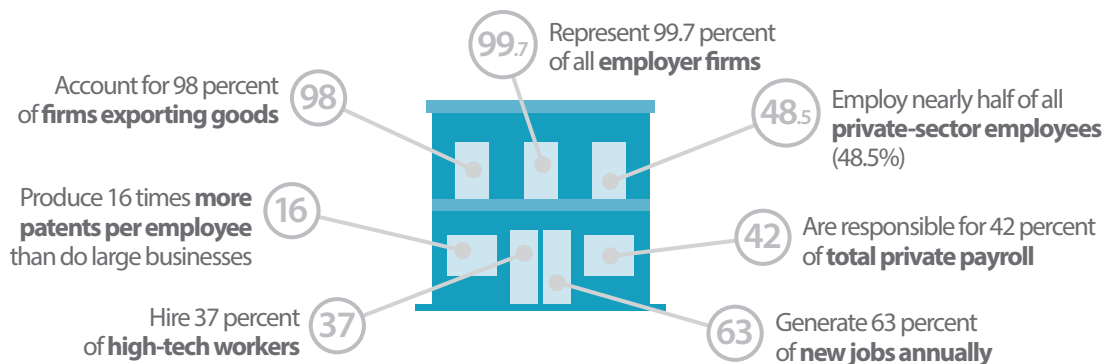
- Less job stability
- Lifestyle driving career choices
- Technology infrastructure
- Technology innovation
- Government support for entrepreneurs
- Mature financing environment
- Financial considerations
- Disruptive innovation
- It's cool

- **Lifestyle driving career choices.** Want to live in the mountains so you can ski, or by the beach so you can surf? Be home in the afternoon to raise your kids? Increasingly, people want their careers to mesh with their lifestyle goals. Entrepreneurship allows much more flexibility to create an income in a way that meets personal goals. You can create businesses in locales where the kind of job you want doesn't exist, have more flexibility in work hours, and spend less time commuting and more time on family, hobbies, or other interests. The desire for a lifestyle that a traditional job can't satisfy is one key reason that people choose an entrepreneurial path.
- **Technology infrastructure.** It has become cheaper and easier than ever to start a businesses. Businesses that once required a huge upfront investment in infrastructure, equipment, and staff can now do a lot more for a lot less. Many of the daily administrative and office tasks can easily be automated; a huge array of companies exists to provide technology solutions to small and new businesses. Web design firms, search marketing specialists, third-party IT services providers, and all sorts of consultants represent merely a few of the new types of business opportunities that have emerged. It's possible to build a fairly substantial business with only a virtual team, especially for technology needs.
- **Technology innovation.** New technology creates new business opportunities. The Internet, in particular, over the last few decades has created entire new industries—mobile, cloud, and social media. Advances in technology and science have led to an explosion in biotech, genetics, and medical equipment and other health care-related industries. “Green” technology is providing significant new prospects in a wide range of environmentally related businesses. In virtually every category, the rapid changes in underlying technology have opened up great possibilities for entrepreneurs.
- **Government support for entrepreneurs.** Throughout the world, governments have increasingly recognized the importance of new ventures and small businesses for their economic growth and health. National governments are setting up agencies to assist entrepreneurs, lessening regulation and red tape for starting new businesses, and providing tax benefits. Even state, regional, and local governmental entities are getting in on the act, helping to make it easier for new business formation. Officials realize that without new businesses economies stagnate.
- **Mature financing environment.** Investors have become more and more comfortable with putting their funds into new and risky ventures. The unbelievable financial success of those who have invested in entrepreneurial ventures since the late 1990s has led to the growth of a large pool of investors willing to take risks on entrepreneurs and new ventures. There's now a mature, sophisticated, and well-funded investing community in a few key regions of developed countries. And, even in smaller communities and less developed areas, many more private investors—“angel investors”—are willing to support entrepreneurs. The availability of more venture capital means the possibility of many more new businesses launching.

- **Financial considerations.** Many people simply don't feel they can meet their financial goals by working for an hourly wage or even a professional-level salary. This is especially true in areas with few high-growth and professional opportunities, as well as in many developing countries. The notoriety given to young multimillionaire founders and early employees of high-tech start-ups has fueled many people's dreams. No surprise, then, that many people feel that they can achieve their financial goals more fully and easily if they choose to become self-employed—or to build their own business and employ others.
- **Disruptive innovation.** Shake it up. See it new. **Disruption** occurs when fresh eyes and fresh thinking transform old industries and business models, often creating highly valuable companies. Many times, the entrepreneurs behind such disruptive companies or innovations have little or no experience in an industry, but see a need and a better way to fill that need. For example, room-letting website Airbnb was launched when the two founders figured they could make money renting out space in their San Francisco apartment during a busy convention. They weren't intentionally setting out to disrupt the hotel industry, but they did. Ride-sharing app Uber was more intentionally disruptive of the entrenched, traditional taxi industry that had changed little in decades. Its disruption led to a whole new way of thinking about personal transportation and to the creation of other ride-sharing services, such as Lyft. Significant disruptions have a ripple effect, creating opportunities for many other entrepreneurs in the new business ecosystem.
- **It's cool.** Successful entrepreneurs are today's role models. The media adores people like Mark Zuckerberg of Facebook, Elon Musk of Tesla and Space X, Jack Ma of Alibaba, and the late Steve Jobs of Apple. It's highly motivating to see others who started with a good idea be able to build a billion dollar company. Cities around the world want to be the next "Silicon Valley."

## SMALL BUSINESS BY THE NUMBERS

According to the Small Business Administration (SBA), small businesses in the United States:



## Think Like an Entrepreneur

Can you learn to be an entrepreneur, or must you be born with an entrepreneurial spirit? While some people are naturally more oriented toward an entrepreneurial lifestyle, and feel more comfortable with the uncertainty that comes with entrepreneurship, it's definitely possible to work on developing some of the key attitudes and attributes of those who start and grow successful businesses.

Many business books and experts assert that there's just *one* kind of person who can be a successful entrepreneur—someone who's a risk taker, extroverted, a natural salesperson, a leader and a visionary, someone willing to work around the clock.

It's a great list, but it's just not true. A whole range of personality types have become successful entrepreneurs. The key is to find the right type of business to suit *you*.

Of course, someone who, by nature, needs an extremely high level of security, guidance, and reassurance might be a poor fit for an entrepreneurial lifestyle. But the idea that you must relish **risk**—be an emotional skydiver—is often overstated when describing the types of people who make good entrepreneurs. Many people who don't think of themselves as embracing risk become entrepreneurs. The key is that although a successful entrepreneur takes risks, those risks are *measured*. While entrepreneurs frequently go out on limbs, the ones that make it generally test that limb first to make sure it has a good chance of bearing their weight.



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### Great entrepreneurs expect change

Change is inevitable, but one thing that sets successful entrepreneurs apart from others is their willingness to adapt to, embrace, and even leverage change for their own gain. Many entrepreneurial companies, especially those involved in technology, have change at the very core of their existence. Still, for every business, change is inevitable.

Even companies that were created on the basis of innovation often become staid over time. Once they have established customers, channels, business units, and models, it's easy for them to get complacent. Their employees become used to doing things the way they always did. When companies are mired down in doing things the same old way, they become rich targets for newer, entrepreneurial companies to go after.

The best entrepreneurs—the ones who succeed over decades—recognize that they must keep responding to change, reinventing their companies, continually innovating.

In planning for change, keep in mind the kinds of conditions that will affect your business's future.

## REAL-WORLD RECAP

### Changes that will affect your company

- Technological changes
- Sociological changes
- Competitive changes
- Market and marketing changes



## ENTREPRENEUR'S WORKSHEET

## Think Like an Entrepreneur

***The most successful entrepreneurs possess numerous key characteristics. Not all entrepreneurs have all of them, of course. But check the traits that apply to you. Work on developing the ones you're missing.***

- You see opportunities where others see problems. When you encounter a need that isn't filled or a flaw in a product, service, or even our society, you look to see if there's a way to solve it.
- You are driven to succeed. You're so motivated to achieve your goals that you're prepared to overcome obstacles that would likely discourage or stop others.
- You are a self-starter. Rather than waiting for someone to issue instructions, you can take initiative. When you're interested in something, you don't need others to tell you what to do.
- You are persistent. You don't give up on things easily. You can handle setbacks and keep on going.
- You are innovative. You can think "outside the box" when attempting to meet challenges.
- You are energized by challenges. The idea of having to solve a problem, create something new, or build something from nothing, spurs you rather than deters you.
- You take control of your own destiny and bear responsibility for your own actions. You don't blame others for what happens to you in life. You can honestly accept responsibility for the results—both positive and negative—of decisions you make and actions you take.
- You are willing to give up the security blanket of a "regular" job. You don't mind working without the safety net of a regular paycheck or the benefits and social structure that an established employer provides.
- You accept and embrace change. Change is inevitable, yet in the entrepreneurial world, change comes even faster and more frequently. But rather than fearing it, you welcome it and enjoy the excitement of the ride.
- You can be a team player. No great entrepreneurs succeed on their own. You're able to work with others to achieve a common goal. You're capable of listening to others' ideas and incorporating the good ones into your own thinking.
- You understand the importance of making a profit. You know that all your best intentions and actions are for naught if you aren't actually making a profit—that is, bringing in more money by selling a product or service than it costs you to provide it. You're not embarrassed by the idea of making money.