

ABOUT ENTREPRENEURS

Who are these people we call entrepreneurs? What do they do and why do they do it? Find out what entrepreneurs are all about by scrolling down this screen.

What Is Entrepreneurship?

There are many definitions of entrepreneurship. For example:

Entrepreneurs use personal initiative, and engage in calculated risk-taking, to create new business ventures by raising resources to apply innovative new ideas that solve problems, meet challenges, or satisfy the needs of a clearly defined market.

and

“Entrepreneurship is the pursuit of opportunity beyond resources controlled.” (Howard Stevenson, Harvard Business School. As quoted by Eisenmann, Thomas R., on the website: <http://blogs.hbr.org/2013/01/what-is-entrepreneurship/>)

and

“Entrepreneurship is essentially the act of creation requiring the ability to recognize an opportunity, shape a goal, and take advantage of a situation. Entrepreneurs plan, persuade, raise resources, and give birth to new ventures.” (*Entrepreneurship: The Spirit of Adventure* by Richard Bodell et al. Toronto: Harcourt Brace Jovanovich, 1991.)

But as the following definitions state, entrepreneurship is not restricted to business and profit:

“Entrepreneurship involves bringing about change to achieve some benefit. This benefit may be financial but it also involves the satisfaction of knowing you have changed something for the better.” (*Entrepreneurship: Creating a Venture* by Lily Kretchman et al. Toronto: Wiley, 1991.)

As well, there is an emerging field of “Social Entrepreneurship.” Writing for the Stanford Social Innovation Review (Spring, 2007), Roger L. Martin and Sally Osberg define social entrepreneurship as including three components:

(1) identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stable state’s hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large.

(http://www.ssireview.org/articles/entry/social_entrepreneurship_the_case_for_definition/)

There are many other definitions, but all tend to focus on what an entrepreneur does. Here's a simplified overview of the typical process of entrepreneurship. Note that this process is not necessarily as linear as it is presented here. Not every entrepreneur focuses on all steps equally or, even at all, in some cases, but this is a good general overview.

The Process of Entrepreneurship

Although enterprises are as different and unique as the entrepreneurs who create them, most entrepreneurs appear to work through a process that we can observe and describe. Often entrepreneurs discover this process through trial and error, but you can shorten your learning curve by benefiting from the experiences of others.



**HARVEST:**

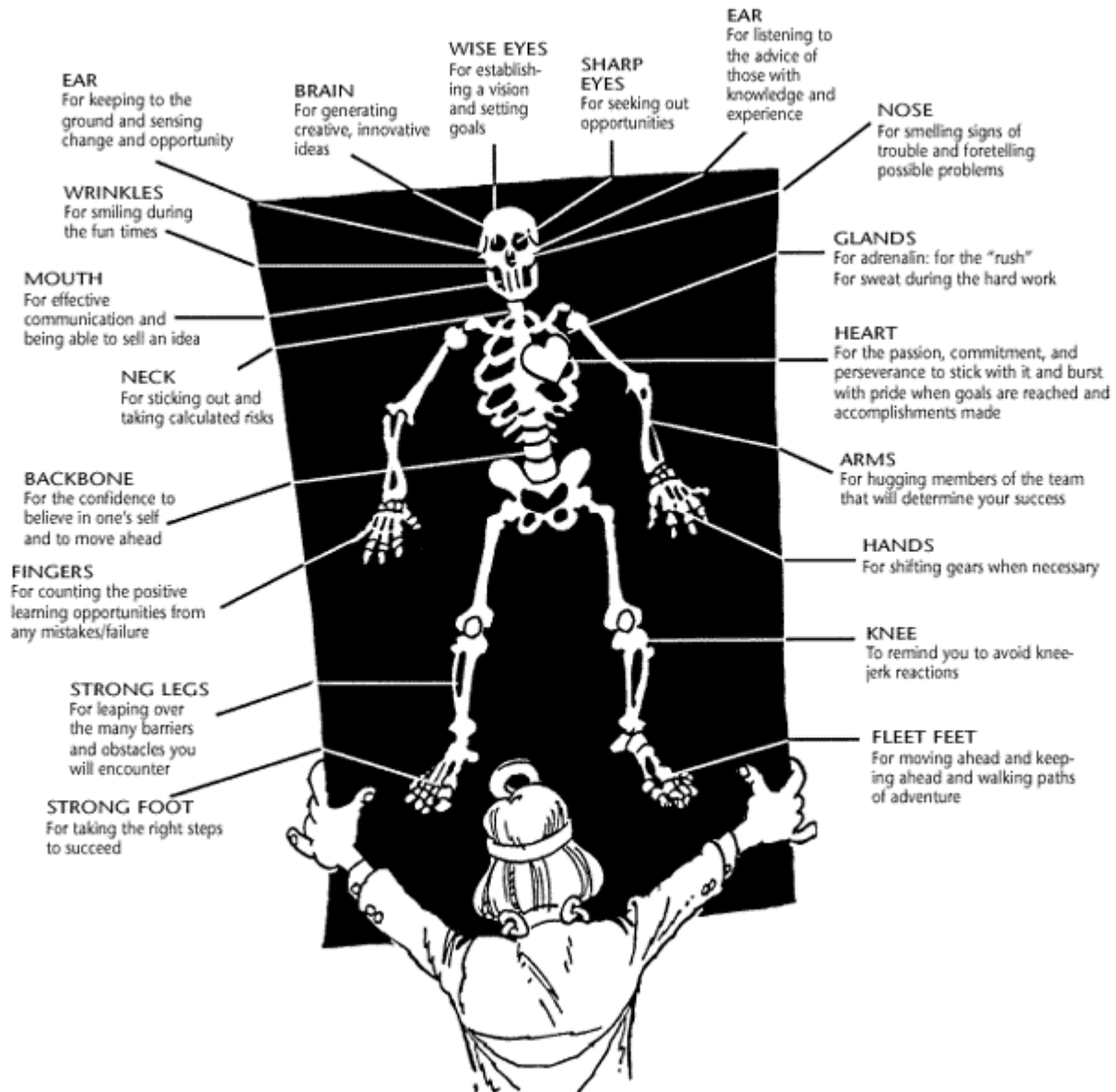
Selling the business and harvesting the rewards. For many entrepreneurs, this also means moving on to new ventures and new challenges.

Who Are Entrepreneurs?

For a long time it was thought that all entrepreneurs were special, that they were just born with the ability and desire to go their own way, on their own. After studying entrepreneurs for several decades, we've discovered that most entrepreneurs learn to do what they do that they also learn, to a large extent, to *be* who they are. That's why we say that most entrepreneurs are made not born.

What kind of person decides to become an entrepreneur and what are the typical attributes and attitudes of a successful entrepreneur? Let's start with this popular description of the entrepreneurial person, sketched by Gary Rabbior, President of the Canadian Foundation for Economic Education.

ENTREPRENEURIAL PERSON



Here's a handy way to remember some facts about entrepreneurs and entrepreneurship.
Entrepreneurs:

E:xamine needs, wants, and problems to see how they can improve the way needs and wants are met and problems overcome.

N:arrow the possible opportunities to one specific "best" opportunity.

T:hink of innovative ideas and narrow them to the "best" idea.

R:esearch the opportunity and idea thoroughly.

E: nlist the best sources of advice and assistance that they can find.

P: lan their ventures and look for possible problems that might arise.

R: ank the risks and the possible rewards.

E: valuate the risks and possible rewards and make their decision to act or not to act.

N: ever hang on to an idea, no matter how much they may love it, if research shows it won't work.

E: mploy the resources necessary for the venture to succeed.

U: nderstand that they will have to work long and hard to make their venture succeed.

R: ealize a sense of accomplishment from their successful ventures and learn from their failures to help them achieve success in the future.

Characteristics of Successful Entrepreneurs

Entrepreneurs are different from each other, but successful entrepreneurs tend to share certain characteristics. Not all of them have developed each of the following to the same degree, but they tend to have developed most of them to some degree. Here are some common characteristics of successful entrepreneurs.

Entrepreneurs tend to:

- be passionate about achieving their goals
- have a spirit of adventure (in fact, the word "adventure" is derived from the Latin word meaning "to venture")
- have a strong need to achieve and seek personal accomplishment
- be self-confident and self-reliant
- be goal-oriented
- be innovative, creative, and versatile
- be persistent
- be hardworking and energetic
- have a positive attitude
- be willing to take initiative
- have a strong sense of commitment

Quiz

Try this quiz to see how your views compare with the facts about entrepreneurs. Read each statement describing entrepreneurs, and check whether you believe it is a myth or a fact.

Myth Fact

- ___ ___ Entrepreneurs are relatively rare in society.
- ___ ___ Entrepreneurs are loners, who don't work well with others.
- ___ ___ Money isn't the greatest motivator for most entrepreneurs.
- ___ ___ Entrepreneurs are usually men, aged 25 to 50.
- ___ ___ Most successful entrepreneurs have experienced failure.
- ___ ___ You need a college education to become an entrepreneur.
- ___ ___ Entrepreneurs never rely on luck.
- ___ ___ Risk-taking is just another form of gambling for entrepreneurs.
- ___ ___ When entrepreneurs spot an opportunity, they just jump right in.
- ___ ___ All self-employed people are entrepreneurs.

Here are the results of your Myth or Fact Quiz:

Myth. Entrepreneurs are relatively rare in society.

Entrepreneurs are everywhere, just look around at all the businesses you see.

Myth. Entrepreneurs are loners, who don't work well with others.

Entrepreneurs rarely accomplish much alone. They are team-builders who have good people skills.

Fact. Money isn't the greatest motivator for most entrepreneurs.

Most entrepreneurs are motivated by a drive to achieve their dreams. Money is important, but achievement is even more important to them.

Myth. Entrepreneurs are usually men, aged 25 to 50.

There are as many women entrepreneurs as men, and there is no ideal age at which to become an entrepreneur. Some start at age ten, some at age 80 – or older.

Fact. Most successful entrepreneurs have experienced failure.

Failure is a steppingstone to success for most entrepreneurs. By learning from their mistakes, they increase their chances of success with their next venture.

Myth. You need a college education to become an entrepreneur.

Many entrepreneurs do not have formal education beyond high school. However, entrepreneurs are life-long learners who never miss a chance to increase their knowledge.

Fact. Entrepreneurs never rely on luck.

Entrepreneurs like to be in control of their ventures and their lives, and they know they can't control luck. Instead, they say, "the harder you work, the luckier you get!"

Myth. Risk-taking is just another form of gambling for entrepreneurs.

Entrepreneurs learn to manage and control risk. Gambling depends on luck, and entrepreneurs never rely on luck.

Myth. When entrepreneurs spot an opportunity, they just jump right in.

Entrepreneurs plan their ventures carefully. Jumping in without preparation is a good way to set yourself up for failure, because "failing to plan is planning to fail."

Myth. All self-employed people are entrepreneurs.

Entrepreneurship is about more than simply being self-employed. Entrepreneurs are innovators who try new things and who plan to grow their businesses into larger ventures.
