

OWN YOUR OWN

What Is The
Entrepreneurial Challenge?

Objective A

- Describe the risks and rewards of entrepreneurship



So What?

- **There are boundless opportunities in starting a business.**
 - A. **Sixty percent of new businesses are started by people between 25 and 40 years old.**
 - B. **Seventy percent of 14-19 year olds want to start their own businesses.**
- **More young people are starting their own businesses.**
 - <http://www.youtube.com/watch?v=LevOTJWPV-w>
 - http://www.youtube.com/watch?v=cl2G3_aFHf8
 - <http://www.youtube.com/watch?v=Zfz90xlvh4c>
 - http://www.youtube.com/watch?v=_2bo3v97c8A
 - <http://www.youtube.com/watch?v=11bOrQG3xMw>

Have You Done Any of These?

- Lemonade stand
- Lawn care or mowing
- Washing cars
- Babysitting/childcare
- Pet walking services
- ?
- Examples of entrepreneurial ventures



Do You Have What It Takes?

- Personal traits
- Interests
- Skills
- Desires



What is the Entrepreneurial Challenge?

- **Cameron Johnson, Ashley Qualls and Bill Gates are all entrepreneurs.**
 - **Someone who invents, develops, and distributes a good or provides a service**
 - **Assumes the risk of starting and building the business**
 - **Receives personal and financial rewards for his/her efforts**
 - **Recognizes opportunities and acts on them**

Elise Macmillan

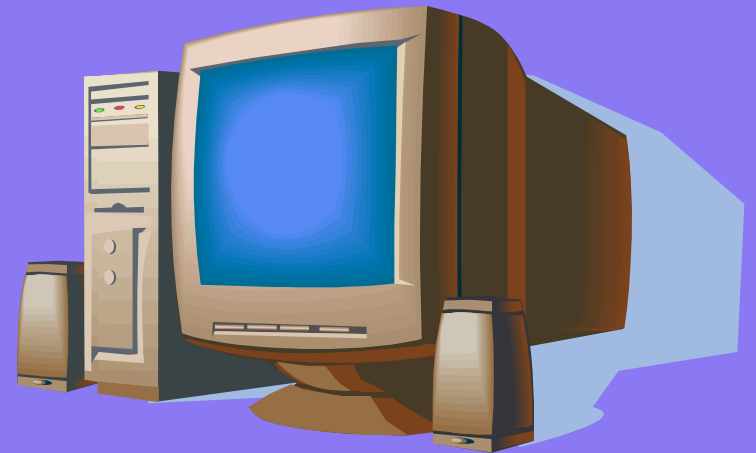
- **Ten-year-old Elise, with the help of her 13-year-old brother started her business seven years ago.**
 - **Grandmother's chocolate recipe**
 - **Enter a marketplace for young entrepreneurs to sell her chocolate**
 - **Brother, Evan, helped her develop a business plan**
 - **Candy was a success**
 - **Expansion has increased sales – now employ 40+ part-time employees in an industrial facility**

Millionaire Teenagers

- <http://www.youtube.com/watch?v=MZXHILQGquQ>

Steve Jobs

- <http://www.youtube.com/watch?v=gxo2rGr7Yfg>



Comparisons

- **Entrepreneur**

- Invents, develops, and distributes a good or provides a service
- Assumes the risks of starting and **building the business**
- Receives personal and financial rewards for his/her efforts
- Recognizes opportunities and acts on them

Comparisons (cont.)

- **Small-business owner**
 - Assumes the risks involved in business activities
 - Receives personal and financial rewards for his/her efforts
 - Is not interested in expanding or developing the business or its products
 - Small businesses consist of 500 or fewer employees

Examples



Why Consider Entrepreneurship?

- **Personal Satisfaction**
- **Additional Income**
- **Financial Independence**
- **Control of Own Workload**
- **Expanded Creativity**
- **Flexibility**
- **Corporate Downsizing**



Factors Contributing to Entrepreneurial Development

- ✓ **Technological advancements**
- ✓ **Increased availability of resources and support systems**
- ✓ **More options in obtaining financing**
- ✓ **U.S. legislative reforms and amendments**



Trends Creating Opportunities for New Business Ventures

- **Continuing technological developments**
- **Home-based businesses**
- **Women, minority ethnic populations, and youth businesses**
- **Outsourcing**
- **Sensitivity to cultural changes and needs**

Entrepreneurial Risks

- **Up to 80% of business start-ups fail; most within the first year.**
- **Failure factors**
 - **Poor management**
 - **Lack of planning**
 - **Not keeping up-to-date with changes**
 - **Marketplace**
 - **Legal and tax regulations**
 - **Technical skills**
 - **Professional development**

Issues

1. Money

2. Decision making

- a. Entrepreneurs act as a jack-of-all trades**
- b. Entrepreneurs have total responsibility for decision making**
- c. Entrepreneurs are accountable for hiring, training, paying employees, budgeting, overhead, legal responsibilities, tax liabilities**

3. Personal commitment

- 1. Normal to work long hours, irregular hours, weekends, no vacation**

Objective B

- Explain factors that relate to entrepreneurial success



How Entrepreneurs Succeed

✓ **Self-awareness**

- Knowing strengths and weaknesses about personal traits and skills
- Once assessed, traits and skills can be enhanced
- Enhancements might lead to entrepreneurial success

✓ **Personal Traits**

- Unique characteristics expressed by a regular pattern of behavior
- The behavior becomes a part of you over time
- Some people think that entrepreneurs are “born”

Entrepreneurial Personality Traits

- ❖ Setting goals
- ❖ Thinking creatively
- ❖ Behaving independently
- ❖ Remaining persistent
- ❖ Exhibiting self-confidence
- ❖ Maintaining self-discipline
- ❖ Organizing
- ❖ Risk taking
- ❖ Decision making
- ❖ Being open-minded and flexible
- ❖ Establishing high standards
- ❖ Thriving on challenges



Example

- David and Rick Cantu
- Redapt Systems and Peripherals



Entrepreneurial Skills and Talents

◆ Many businesses are started because of people's

- Natural talentsInterestsHobbies

◆ Skills

- Abilities that are developed by education, training, and practice
- Entrepreneurial skills
 - Physical and mental health
 - Communication and language
 - Math and finances
 - Problem solving
 - Leadership and team orientation
 - Technical skills

◆ Skills and personal traits can be developed or enhanced

Professional Development:

A Must Do

- **Options for professional development:**

- ✎ **Technological tools (Internet)**
- ✎ **Classes, seminars, workshops**
- ✎ **Trade shows**
- ✎ **Trade, business, or entrepreneurial associations**
- ✎ **Publications**
- ✎ **Networking**
- ✎ **Volunteer work**



Which Path To Take?

- **Stacy**

- Interested in fashion design
- Worked for a clothing retailer
- Designed a line of clothing that she is selling on her web site
- Also taking design classes at the regional art school

- **Julie**

- Self-employed certified public accountant
- Had to pass an exam required by the state
- Obtain the knowledge at a state university
- Taking classes to remain certified

Make It Pay!

- ◆ Take an inventory of personal interests, skills, and traits
- ◆ Brainstorm and write down five things that interest you
- ◆ Talk to your employer about interests and goals
- ◆ Find someone at work who you think has an entrepreneurial spirit and talk to him/her about it
- ◆ Locate a local organization and consider joining it
- ◆ Check out community colleges or organizations that offer classes, workshops, seminars
- ◆ Find a mentor
- ◆ Network with entrepreneurs

The Gray Zone

Does Jack's situation create an ethical dilemma?

1. Is it appropriate for Jack to discuss his new business venture with clients who are doing business with his employer?
2. Is it ethical for him to attempt to take business away from his soon-to-be former employer? Why?
3. Should Jack advise Wendall, Caper, and Dobbins of his plans and his conversations with clients?
4. If you were Jack, what would you do?