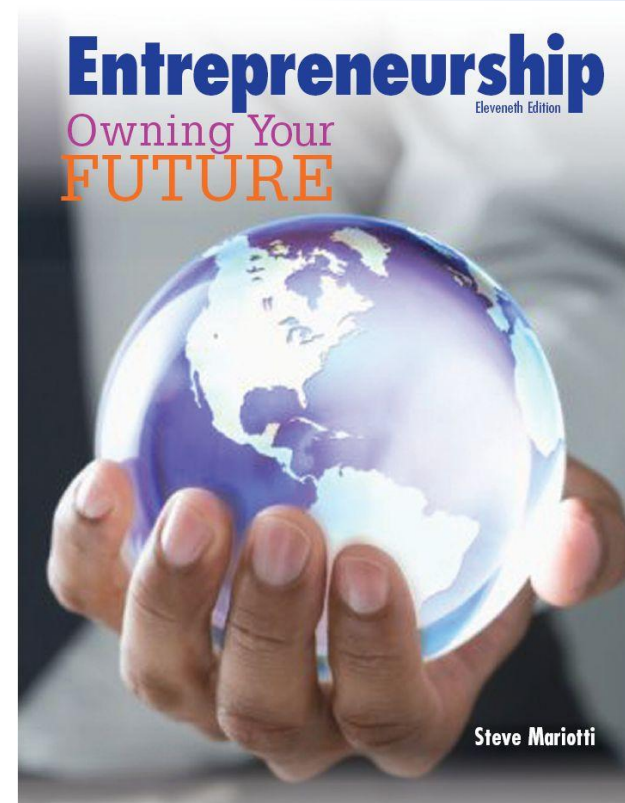


Introduction to Entrepreneurship

Section **1.1** What Is Entrepreneurship?

Section **1.2** Characteristics of an Entrepreneur



1.1

What Is Entrepreneurship?

OBJECTIVES

- Define what it means to be an entrepreneur
- Compare the pros and cons of being an entrepreneur
- Identify successful entrepreneurs and their achievements

What Is an Entrepreneur?

Someone who creates and runs a business is called an **entrepreneur**.

- When an entrepreneur starts a new business, risk is involved. *Risk* is the chance of losing something.
- Because employees work for someone else and entrepreneurs work for themselves, entrepreneurs risk more than employees.
- Small firms employ about half of the U.S. private work force, and they create around 64 percent of all new jobs.
- One way you can gain a sense of what business is like is by investigating an internship, or apprenticeship.

Why Be an Entrepreneur?

The biggest reward of becoming an entrepreneur is the personal satisfaction that comes from having the freedom to make your own business decisions and then act on them.

- **Making Your Own Rules.** When you own a business, you get to be your own boss.
- **Doing Work You Enjoy.** Since the majority of most peoples' lives is spent working, why not spend that time doing something you enjoy?
- **Creating Greater Wealth.** There's no limit to what an entrepreneur can make.
- **Helping Your Community.** Being an entrepreneur lets you make your community and world a better place.

Risks of Being an Entrepreneur

- **Potential Business Failure.** Being fully responsible means the success or failure of your business rests on you.
- **Unexpected Obstacles.** Problems can happen that you don't expect.
- **Financial Insecurity.** Many new businesses don't make much money in the beginning, so you may not always be able to pay yourself.
- **Long Hours and Hard Work.** It's not unusual for entrepreneurs to work a lot of extra hours to make their businesses successful. This is especially true during the initial start-up process.

Entrepreneurship in History

Here are some well-known entrepreneurs who changed the world. For what is each entrepreneur most famous?

- Thomas Edison
- P.T. Barnum
- William Harley & Arthur Davidson
- Maggie Lena Walker
- Ingvar Kamprad
- Stephen Wozniak and Steve Jobs
- Russell Simmons
- Dinah Mohajer

Characteristics of an Entrepreneur

OBJECTIVES

- Describe who becomes an entrepreneur
- List the key characteristics of an entrepreneur
- Explore ways to build your business potential
- Explain the value of learning about entrepreneurship

Who Are Entrepreneurs?

Highlights from the most recent U.S. Census Bureau survey:

- 64 percent of business owners had some college education when they started the business.
- More than 60 percent of the business owners used money of their own, or from their families, to start or buy the business.
- Slightly more than half of the business owners who had employees worked overtime (over 40 hours a week).
- About a third of the business owners were over 55 years old, 29 percent were between 45 and 54, 24 percent were between 35 and 44, 12 percent were between 25 and 34, and 2 percent were under 25.

Characteristics of Successful Entrepreneurs

Self-assessment—evaluating your strengths and weaknesses—is an important part of becoming an entrepreneur.

- An **aptitude** is a natural ability to do a particular type of work or activity well.
- An **attitude** is a way of viewing or thinking about something that affects how you feel about it. Entrepreneurs tend to be people with positive attitudes.

Characteristics of Successful Entrepreneurs

Personal Characteristics

- Courage
- Creativity
- Curiosity
- Determination
- Discipline
- Empathy
- Enthusiasm
- Flexibility
- Honesty
- Patience
- Responsibility

Skills

A **skill** is an ability that's learned through training and practice.

- Business Skill
- Communication Skill
- Computer Skill
- Decision-Making and Problem-Solving Skills
- Mathematical Skill
- Organizational Skill
- People Skills

Increasing Your Potential

Increase your business and entrepreneurial potential by focusing on six specific areas.

- **Business Knowledge.** Reading magazine and newspaper articles, search the Internet, and talk to business owners.
- **Financial Skills.** Strengthen your math skills.
- **Career Exploration.** Evaluate your strengths and weaknesses, explore careers interest you.
- **Community Awareness.** Look for volunteering opportunities and find out if any companies in your area provide internship programs.
- **Education.** Obtaining a good education benefits you personally and open doors to more career opportunities.
- **Relationships.** Spend time with people who believe in you and inspire you.

Why Study Entrepreneurship?

There are two primary reasons why studying entrepreneurship makes sense: you learn to think like an entrepreneur and you develop a vision for your life.

Think like an entrepreneur when you are an employee:

- **Observe.** Seek out opportunities to learn new skills and accept new responsibilities.
- **Listen.** Pay attention to what others have to say.

- **Think.** Don't complain about a problem—analyze it and suggest possible solutions.

Learning about entrepreneurship often inspires people to develop a **vision** for their life.