



JUMP START

Gloria and Delia are excited about starting their own business, but before proceeding, Gloria realizes they need to slow down and think through the process carefully. “You know, Delia, it’s not really easy to start our own business. When we talked about this in class, Mr. Riviera said that there are many things to consider before starting a business. First, we need to decide what we like to do and what we are good at. Then we have to do a lot of research and planning if we want to be successful.” Thinking about what Mr. Riviera said in class, Delia sighs. “This entrepreneur thing sounds like a lot of work. What do you think we should do?” Why is it a good idea for Gloria and Delia to slow down and really examine their interests before starting a business?

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GOALS

Identify the characteristics of successful entrepreneurs

Identify the characteristics of good team members

Assess whether you have what it takes to succeed in your own business

KEY TERMS

self-assessment, p. 13

aptitude, p. 14

Characteristics of Successful Entrepreneurs

Many people dream of running their own businesses. They would like to become entrepreneurs. Entrepreneurship can be exciting, but many go into it not realizing how difficult it is to run their own business. In fact, statistics show that most new businesses will fail within a few years. Startup businesses fail because of the owner’s poor planning, lack of business knowledge, lack of entrepreneurial characteristics, inability to work with others, or failure to choose the right business.

Researchers have identified several characteristics that distinguish successful entrepreneurs from those that fail.

1. **Successful entrepreneurs are independent.**

They want to make their own decisions and do something they enjoy.

2. **Successful entrepreneurs are self-confident.**

Entrepreneurs make all the decisions. They must have the confidence to make choices alone and bounce back from a poorly made decision.

3. **Successful entrepreneurs have determination and perseverance.**

Entrepreneurs persist through hard times until goals are met.

4. **Successful entrepreneurs are goal-oriented.**

They know what they want, and they are able to focus on achieving it.

5. **Successful entrepreneurs have a need to achieve and to set high standards for themselves.**

They are motivated by setting and achieving challenging goals.



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Why should entrepreneurs be goal-oriented?

6. **Successful entrepreneurs are creative.**

They think of new ways to market their businesses and always look for new solutions to problems.

7. **Successful entrepreneurs are able to act quickly.**

They are not afraid to make quick decisions when necessary, which helps them beat their competitors.

8. **Successful entrepreneurs keep up to date with technology.**

New technologies emerge that can help with many business activities. In order to run their business efficiently, entrepreneurs should always be on the lookout for new technology they can apply to their business.

CheckPOINT

Name three important characteristics of entrepreneurs.

Characteristics of Good Team Members

Entrepreneurs realize that there are other stakeholders in their businesses—partners, investors, employees, suppliers, customers, creditors, and so forth. They must work with others to get their business up and running. They must have good team-building skills as well as be effective team members. Good team members display the following traits.

1. **Commitment** They are committed to team goals and willing to work hard to achieve the goals.
2. **Competency** They have the right skills needed to get the job done and to help accomplish the team's goals.
3. **Communication** They have good communication skills and can share ideas with others in both oral and written form.
4. **Cooperation** They must work well with others and know that they will not always get their way. They are willing to accept the decision of the group for the good of the group.
5. **Creativity** They are able to look at things from different perspectives and suggest new ways of doing things.

NETBookmark

Your textbook lists several characteristics of successful entrepreneurs. Do you have what it takes to be an entrepreneur? Access www.cengage.com/school/business/21biz and click on the link for Chapter 1. Take this brief online quiz to find out. What are some personal characteristics assessed by the test? Which do you think are the most relevant? Based on your personal test results, do you think you would be a successful entrepreneur?

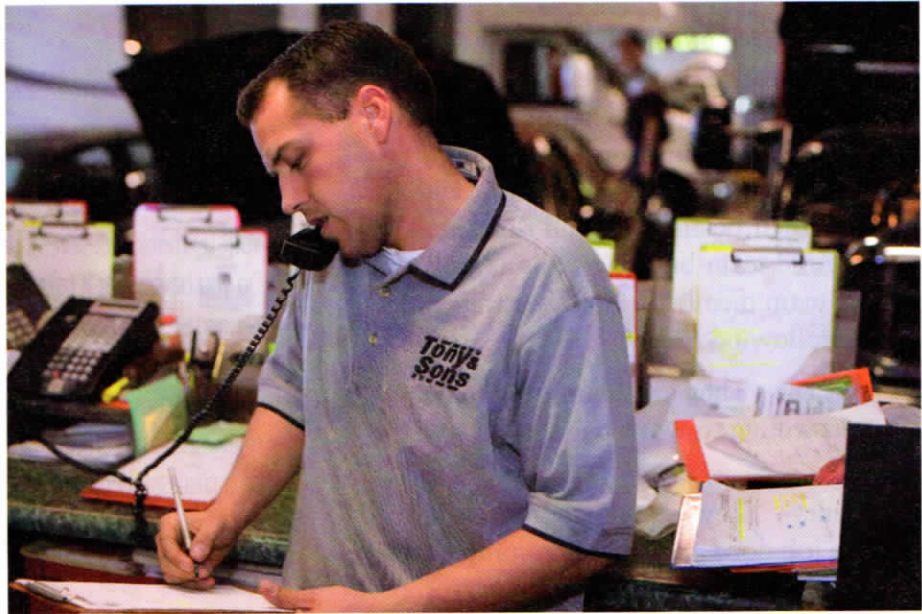
www.cengage.com/school/business/21biz

CheckPOINT

Why is it important for entrepreneurs to be good team members?

Are You Right for Entrepreneurship?

Entrepreneurship is not for everyone. Some people lack the qualities needed to become successful entrepreneurs. Others lack the aptitude needed to run a business. To determine if entrepreneurship is right for you, you need to perform a self-assessment. A **self-assessment** is an evaluation of your strengths and weaknesses. You can do this in a number of ways. You can list what you believe to be your strengths and weaknesses on a sheet of paper. You can ask others what they believe your strengths are and where your weaknesses lie. There are also professional tests you can take to assess your abilities.



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Why is it important to assess your strengths and weaknesses before starting a business?

Assess Your Interests

Success as an entrepreneur requires a strong commitment to a business and a lot of energy. To be able to commit yourself fully to a business, you should choose a field that interests you and that will provide you with an experience you will enjoy. Many entrepreneurs center a business on an interest or hobby. Analyzing past experiences and jobs can also help. Building a business around jobs or experiences that you found fulfilling could lead to success.

Assess Your Aptitude

Different jobs require different job aptitudes. **Aptitude** is the ability to learn a particular kind of job. Auto mechanics must possess an aptitude for solving mechanical problems and must be good with their hands. People who sell insurance must have good interpersonal skills. Answering questions like those in the Job Attributes Checklist can help you identify the kinds of entrepreneurial opportunities that might match your aptitudes and interests.

TEAMWORK

Working in a small group, suggest ten possible jobs for each item on the job attributes checklist. Choose one person to write the suggestions from your group on the board or on paper.

JOB ATTRIBUTES CHECKLIST

- 1. I enjoy working with numbers.
- 2. I enjoy working outdoors.
- 3. I enjoy working with my hands.
- 4. I enjoy selling.
- 5. I like working with people.
- 6. I prefer to work alone.
- 7. I like supervising other people.
- 8. I like knowing exactly what it is I am supposed to do.

Assess the Advantages of Entrepreneurship

Many people see significant advantages in owning their own businesses. Some of the biggest advantages include the following.

1. **Entrepreneurs are their own bosses.** Nobody tells an entrepreneur what to do. Entrepreneurs control their own destinies.
2. **Entrepreneurs can choose a business that interests them.** Entrepreneurs work in fields that interest them. Many combine hobbies and interests with business.
3. **Entrepreneurs can be creative.** Entrepreneurs are always implementing creative ideas they think of themselves.
4. **Entrepreneurs can make large sums of money.** Entrepreneurship involves risk, but if the business is successful, the business owner will reap the profits.



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Financially, what are the advantages and disadvantages of entrepreneurship?

Assess the Disadvantages of Entrepreneurship

All prospective entrepreneurs must carefully weigh the advantages against the disadvantages before making the decision to start a business. Disadvantages include the following.

1. **Entrepreneurship is risky.** There is the possibility of losing money and going out of business.
2. **Entrepreneurs face uncertain and irregular incomes.** Entrepreneurs may make money one month and lose money the next.
3. **Entrepreneurs work long hours.** Entrepreneurs are never really finished with their jobs. They can work long, irregular hours. They receive no paid days off and often work evenings and weekends.
4. **Entrepreneurs must make all decisions by themselves.** Unless they have partners, entrepreneurs have the final responsibility for all decisions that are made regarding the business.

CheckPOINT

What kinds of assessments should you make to determine if you are right for entrepreneurship?
