

Own Your Own

Career Opportunities in Entrepreneurship

So What

Have you ever thought about owning your own business? If you have, you're not alone. In fact, many young people start their own businesses. Just consider Moziah Bridges, a 13-year-old who runs Mo's Bows. You can read about his entrepreneurial journey in the article, "Meet the 13-Year-Old CEO Who Built a \$200,000 Business and Is Mentored by Daymond John" by Richard Feloni: <http://www.entrepreneur.com/article/244228>. Or what about 14-year-old Rachel Zietz? She's the founder of Gladiator Lacrosse, a line of lacrosse equipment. Read more about her in the article, "How This 14-Year-Old Entrepreneur Is Making Adults Question Their Life Choices by Being Ridiculously Awesome" by Carly Okyle: <http://www.entrepreneur.com/article/244054>.

Why are so many people interested in owning their own businesses? What is so alluring about entrepreneurship? If you've ever worked as a babysitter or mowed your neighbors' yards, you've already discovered one of the reasons why many people start their businesses—for money.

Unfortunately, a thirst for money is rarely enough to keep a business going. To be successful, an entrepreneur must have a passion for her/his business and work harder than s/he's ever worked before. Being an entrepreneur is definitely not easy, but if it's done right, starting and owning a business can be one of the most rewarding, satisfying things you could ever do!

Seize the Day!

You've probably heard of Bill Gates, the company that he cofounded (Microsoft), and his wealth. After all, his net worth is over 78 billion and he's once again the richest person in the world. But have you heard of Nicky Bronner? Nicky is a young candy lover who turned his idea into a business success! He doesn't work in the tech industry like Bill Gates, and he's just a teenager, but the two do have something in common—they're both **entrepreneurs**.

Nicky took his first steps toward business ownership in 2009 when his father took away his Halloween candy because it was unhealthy. Although (and probably because) his dad had taken away his candy on trick-or-treat night for nine long years, Nicky finally decided to take matters into his own hands—and prove to his dad that it's okay to eat candy.



▲ Nicky Bronner turned his love of candy into a business! This makes him an entrepreneur.

Objectives

- A Describe the risks and rewards of entrepreneurship.
- B Explain factors that relate to entrepreneurial success.

However, once Nicky did some research, he realized that his dad was right. Most candy is full of artificial, unhealthy ingredients. So, in July 2012, with the help of his dad, his brother, and a forward-thinking chef, Nicky created Unreal, a line of chocolate candy that promises to “unjunk” traditional candy bars by using more protein, fiber, and real ingredients.

Now, you can find Unreal candy at major retailers such as Whole Foods and SuperTarget, and it has been featured on NBC’s *The Today Show* and in publications like *The New York Times*, *Reader’s Digest*, and *O: The Oprah Magazine*. It’s also promoted by many health-conscious celebrities, including Matt Damon, Gisele Bundchen, Tom Brady, John Legend, and Jack Dorsey, co-founder of Twitter and Square.

It’s obvious that both Bill Gates and Nicky Bronner have benefited from the creation of their companies. But, what about the rest of us? Have we as a society benefited from the success of their businesses? Of course we have! Our society needs entrepreneurs to create new jobs and generate economic growth. Entrepreneurs even help us save money and solve problems in our everyday lives!

Who’s Who in the World of Business Ownership

Some terms that you’re likely to hear in a discussion about business ownership are entrepreneur, small-business owner, and manager. Although they are alike in some ways, they are also very different.

Let’s start with entrepreneurs. Entrepreneurs are people like Bill Gates or Nicky Bronner who start businesses to support their passions and interests, such as Nicky’s love of candy. Instead of offering the same products that consumers can get anywhere, entrepreneurs strive to offer unique products to their target market. Like leaders, entrepreneurs are creative, take risks, have a vision for the future, and motivate others to work toward that vision. They look for ways to improve and learn from their mistakes, and they always work “on” their businesses rather than “in” them. Perhaps most importantly, entrepreneurs work to grow their businesses. These businesses start small, but they often turn into organizations that employ thousands of workers.

While a small-business owner also owns a business, his/her priorities are very different from an entrepreneur’s. **Small-business owners** often sacrifice their own needs and interests to build their businesses, and they don’t concern themselves with offering unique products. Instead, their focus is simply on running stable, secure businesses that generate income. They typically work “in” rather than “on” their businesses, and instead of always looking to grow and expand, they are generally content to keep their business operations small. As a result, **small businesses** employ fewer than 500 employees.

A third term that often comes up in conversations about entrepreneurship is management. A **manager** is responsible for planning, organizing, staffing, directing, and controlling the work of others in a systematic way. Managers set objectives, formulate policy, and implement policies and procedures. While managers help to make entrepreneurs’ visions a reality, they aren’t required to assume the risk involved. As a result, an entrepreneur or small-business owner may also be a manager, but a paid manager is not necessarily an entrepreneur or small-business owner.



▲ Small-business owners focus on running stable, secure businesses that generate income.

Why Take the Risk?

Starting a business is risky. Nevertheless, thousands of people choose to open their own businesses every year. These individuals become entrepreneurs for a number of reasons. These reasons include obtaining personal satisfaction, making a difference in the lives of others, pursuing their passions, becoming more independent, being more creative, having a flexible work schedule, or gaining financial **independence**. Some individuals even become entrepreneurs simply to experience the adventure and excitement of business ownership!

Debbi Fields, founder of Mrs. Fields Cookies, once said, "I knew I loved making cookies and every time I did, I made people happy." Her motivation stems from the personal satisfaction she feels when creating a product that brings joy to others.



In this article by Libby Kane, "One Smart Cookie: The Founder of Mrs. Fields Shares How She Did It," Debbi Fields explains more about why she took a risk to start her business: <http://www.learnvest.com/2012/11/one-smart-cookie-the-founder-of-mrs-fields-shares-how-she-did-it/>.



Flexibility is another motivator that attracts many budding entrepreneurs. When you are your boss, you decide when and where to work and for how long. Flexibility allows an entrepreneur to control and manage time based on individual needs and desires and on the nature of the business.

Other individuals start businesses to supplement their existing income or to gain financial independence. In fact, money is what lures many people to business ownership. Unfortunately, a business is much more likely to fail if its owner starts it simply to make money. Money should never be your top priority in starting a new business. If it is, you are much more likely to make hasty, unwise decisions that may help to make money in the short run but will ultimately destroy your chance for success.

Many people consider entrepreneurship after losing their jobs due to corporate restructuring and downsizing. Although job loss can be tragic for some individuals, there are others who consider it an opportunity to do something new, like start a business.

Are You Up for the Challenge?

According to the U.S. Small Business Administration, around 50% of all small businesses fail within the first five years. Why do so many start-up businesses fail? Poor management, poor planning, insufficient capital, dismal sales, overexpansion, and lack of experience can all contribute to the failure of a new business.

Many entrepreneurs find aspects of starting their new venture overwhelming. Some issues and challenges that they face include:

- **Financial concerns**

You face the possibility of uncertain income, irregular paychecks, and potential financial loss as an entrepreneur.

- **Sole responsibility**

As a start-up business owner, you are a jack (or jill) of all trades. You do it all, from paying the bills to making sales calls. As the owner, you have total responsibility for decision making regarding all aspects of your business. If you make a good decision, great. If you make a bad decision, you have no one to blame but yourself.

- **Personal commitment**

It's normal to work long and irregular hours, including weekends. You may have to give up vacation time. Entrepreneurial ventures often interfere with your personal and family time. And, starting your own business can take both a physical and emotional toll on you and those around you.



▲ Are you ready to take advantage of opportunities when they appear?

When Opportunity Knocks... Will You Answer the Door?

To be a successful entrepreneur, you must remember to answer the door when opportunity comes knocking. **Opportunity** for would-be business owners comes in many different shapes and forms. In recent years, technological advancements, more readily available resources and support systems, multiple finance options, and tax reforms have all created new opportunities for entrepreneurs.

Technological advancements and the Internet have made starting a business much more accessible for would-be entrepreneurs. In fact, many businesses have no brick-and-mortar storefront at all—they're run entirely on the Internet! More people own **home-based businesses** than ever before, and any business with an Internet presence can reach a large, often international, audience.

For entrepreneurs who need extra assistance in developing ideas for their businesses, there are many resources and **support systems** available, including books, magazines, websites, specialized government agencies, small business development centers, and private foundations devoted to entrepreneurship. These resources and support systems can help entrepreneurs to decide what types of businesses to start, find ways to secure financing, and develop components for a business plan.



The U.S. Small Business Administration offers many resources for young entrepreneurs, including the *Young Entrepreneurs Essential Guide to Starting a Business* course, which you can access on the SBA website: <https://www.sba.gov/tools/sba-learning-center/training/young-entrepreneurs>.

There are many ways you can obtain financing for your business start-up. You can borrow money from traditional sources, such as banks, family, or friends. Or, you can secure funding through government agencies, professional associations, corporate sponsors, **angel investors**, and scholarships.

Talk to a tax advisor or business start-up agency; they can provide you with information about grants or loans.

U.S. legislative reforms have also created opportunities by providing small businesses with tax breaks. **Deductions** for home offices, supplies and equipment, mileage, travel, and insurance premiums allow a business owner to take the tax savings and invest them back into the company. Talk about making money by spending money!



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If you are interested in starting your own business, seek out successful entrepreneurs. Solicit their advice, and ask them to be your mentors. You can learn from their experiences and hopefully avoid repeating their mistakes!

Summary

Entrepreneurs see opportunities all around them. They seize these opportunities, build businesses based on their ideas, skills, and passions, and create new products for the marketplace. They take risks to build and grow their businesses, and they receive rewards for their efforts. Small-business owners are much less interested in taking risks or expanding their businesses. Managers help to make entrepreneurs' visions a reality, but they aren't necessarily entrepreneurs or small-business owners.

People start businesses for a number of reasons, and they face many risks, such as financial concerns, sole responsibility, and personal commitment. Their businesses may fail due to poor management, poor planning, insufficient capital, dismal sales, overexpansion, or lack of experience. Still, due to increased opportunities including technological advancements, more readily available resources and support systems, multiple finance options, and tax reforms, the number of entrepreneurs is growing.

TOTAL RECALL

1. What is an entrepreneur?
2. Explain the role of entrepreneurship in society.
3. Distinguish among entrepreneurs, small-business owners, and managers.
4. What are four reasons why individuals become entrepreneurs?
5. Discuss four factors that can contribute to business failure.
6. Explain the issues and challenges that entrepreneurs often face.
7. What opportunities are available for people aspiring to become entrepreneurs?

THE GRAY ZONE

Shortly after graduating from college, Jack took a job with the advertising agency Wendall, Caper, and Dobbins. His first position with the agency was account representative, and he truly enjoyed his work. He thrived on the fast pace and worked with lots of interesting people. Two years ago, because of his success as an account rep, Jack was promoted to account manager.

Shortly thereafter, there was a major change in the executive management of the company, and Jack disapproves of the new senior staff's approach to doing business. The company's focus has changed, and Jack is no longer happy with his job. Instead, he dreams of owning his own agency.

Two of Jack's coworkers—Rick and Gary—are also upset with the new direction that the company is taking. In fact, Jack knows that both of them have started looking for work elsewhere. Perhaps, Jack thinks to himself, Rick and Gary would be interested in going into business with me. They are very talented at what they do, and we would make a great team. Should Jack tell Rick and Gary about his plans to start his own advertising agency? Is it ethical for him to talk with them about becoming partners in the new venture? Why or why not?

Do You Have What It Takes?

Have you ever noticed that most successful entrepreneurs have a lot in common? They seem to share some qualities and abilities that set them apart. But, they weren't necessarily born with those characteristics and skills. Successful entrepreneurs are simply more **self-aware** than most of us. They know what their strengths and weaknesses are, and they work hard to develop or enhance the **traits** and **skills** needed for success in business ownership.

What's Your Passion?

Regardless of where their strengths and weaknesses lie, there is one thing that all entrepreneurs have in common—passion. All successful entrepreneurs have passion for what they do, and their businesses are successful because they enjoy their work. Many entrepreneurs start their businesses so that they can enjoy or share a natural talent, interest, or hobby that is important to them.

Are you artistic? Do you have a passion for certain types of music? Do you like to garden or build things? Do you love sports? Perhaps you too have a talent, interest, or hobby that you can turn into a profitable business.

How Would You Describe Yourself?

Are you curious about common entrepreneurial personality traits? After all, you need to know what it takes to be an entrepreneur before you can develop these traits in yourself. Characteristics that all successful entrepreneurs share include:

- Creativity
- Determination
- Optimism
- Organization
- Open-mindedness
- Innovation
- Confidence
- Enthusiasm
- Willingness to take risks

How many of these characteristics describe you? There are probably some that you are quite good at and others that you are not. That's okay. You can always work to improve your weaknesses. Because each person is unique, there is no exact combination or ratio of these characteristics that you must have to be successful. Some individuals exhibit strength in some areas (e.g., creativity) and weakness in other areas (e.g., organization). What's important is that you understand what you are already good at and what needs to be improved.

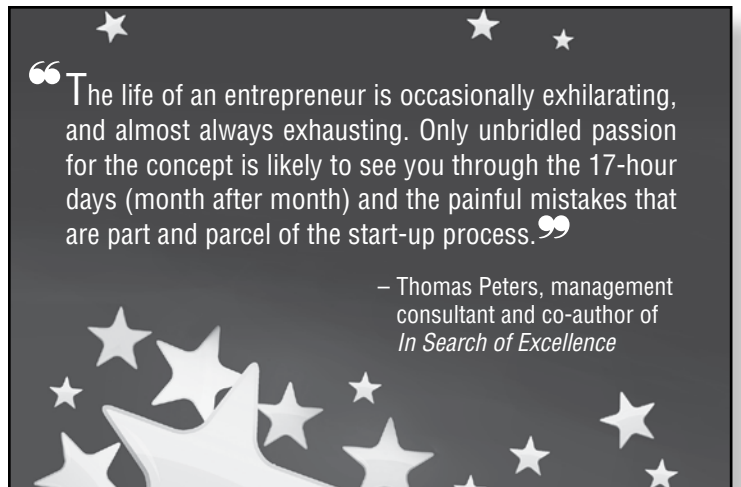
That Takes Skill

Imagine a friend who can spin a basketball on a finger for several minutes. Even though it's an extremely difficult thing to do, your friend makes it look easy, doesn't s/he? That's because your friend has developed a skill—an ability that s/he has developed through training, practice, and knowledge. More than likely, your friend has probably worked and practiced spinning the ball to keep it going for long periods of time.

To be successful, entrepreneurs must also develop a variety of skills that they continue to improve throughout life. Necessary entrepreneurial skills include:

- Risk-management skills
- Sales and marketing skills
- Financial skills
- Administrative skills
- Time-management skills
- Technical skills
- Communication skills
- Leadership skills
- Decision-making and problem-solving skills

Keep in mind that skills are learned. Just like personal characteristics, some come easier to you than others. And, like personal characteristics, skills can be developed or enhanced with training and education.



▲ It takes a lot of skill to be a successful entrepreneur.

Never Stop Learning

As an entrepreneur, you should continue to seek training and education throughout your career. In other words, do your homework! Fortunately, you have many **professional development** sources from which to choose.

These include:

- The Internet
- Publications
- Workshops, seminars, classes, trade shows
- Trade and entrepreneurial organizations
- Networking
- Internships
- Volunteer work

Since there are many ways to obtain professional development, the path you take depends on the business you are starting. For example, Stacy has an interest in fashion design and has developed a line of clothing that she is selling on her website. Stacy works for a clothing boutique to gain more experience in the industry, and she also studies fashion design at school.

Julie, on the other hand, is a **self-employed** accountant. She had to pass an exam to be certified in the state where she lives. To obtain the knowledge needed to pass the exam, Julie studied accounting at a state university. When she passed the state exam, Julie worked for an accounting firm for two years before establishing her own business. Julie continues to complete classes each year to remain certified by the state to practice accounting.

As you can see, both individuals are entrepreneurs. However, they need different types of training and professional development to run their businesses.



▲ Never stop learning! You can obtain professional development by attending workshops or seminars.

Stay On Your Toes

To be successful, current and would-be entrepreneurs should always be on the lookout for new opportunities. By staying on your toes and being observant, you are bound to find new ways to be innovative and creative, whether you are looking to start a business or already have one in operation.



▲ Fred Smith started FedEx because he saw a gap between what was currently being done and what needed to be done.

Successful entrepreneurs such as Fred Smith, for instance, look for gaps between what is currently being done and what needs to be done. While operating an aviation sales business in the early 1970s, Fred discovered that many of his customers wanted or needed their purchases within one or two days, but there was really no way to get packages to them that quickly. The U.S. Postal Service didn't even try to deliver packages in such a short period of time, Fred learned, because it felt that overnight delivery was not profitable. However, because so many customers wanted and needed their purchases immediately, Fred set out to fill the gap between what was currently being done and what needed to be done. As a result, in 1971, Fred founded FedEx, which has grown into one of the most admired and trusted employers in the world.



The article “Fred Smith: An Overnight Success” on Entrepreneur.com goes into more detail about Fred Smith’s impressive road to becoming a successful entrepreneur: <http://www.entrepreneur.com/article/197542>.

Entrepreneurs also take note of **trends** in society, technology, the economy, and the government. Some of the latest trends include environmental protection, an aging population, the growth of e-commerce, and the shift toward healthier lifestyles. All of these trends create opportunity, and if entrepreneurs seize these opportunities quickly and run with them, their businesses can become tremendously successful.

Think back to Nicky Bronner and Unreal candy. Consumers in recent years have placed a greater emphasis on being healthier, avoiding unnatural ingredients, and eating more natural food. Nicky and his partners were able to take advantage of this trend with their candy that uses less sugar, more fiber, and organic dairy products. The company even uses carrot and red cabbage juices to add color instead of using artificial dyes. What other entrepreneurial ventures can you think of that take advantage of trends?

Summary

Entrepreneurs are self-aware individuals who know their strengths and weaknesses. They make the most of their strengths in terms of personal characteristics and skills, and they take advantage of professional development opportunities to develop their weak areas. Regardless of their talents and skills, all entrepreneurs have one thing in common—passion for their businesses and what they do. This passion, along with the ability to identify and respond to current trends, contributes greatly to the success of their businesses.

TOTAL RECALL

1. Explain the role of passion in entrepreneurship.
2. Describe the characteristics of successful entrepreneurs.
3. What skills must entrepreneurs develop to be successful?
4. What types of professional development opportunities are available for entrepreneurs?
5. Discuss methods that entrepreneurs often use to identify new opportunities.

Make It Pay!

Do you want to start your own business? Do you have the entrepreneurial traits, skills, and knowledge that are needed to be successful? Think about your personal strengths, as well as your weaknesses. How could you use those strengths to your advantage when starting a business? How could you improve your weak areas? Finally, what hobby, talent, or interest are you passionate about? How could you turn that passion into a profitable business?