

Entrepreneurship

What is an Entrepreneur?

Entrepreneurship is an important engine of growth in the economy. In this lesson, you'll learn about what an entrepreneur is and the key characteristics and skills that a successful entrepreneur possesses. Some examples of entrepreneurs will also be given.

Entrepreneurs - Risk Takers

Meet Eddie. He's an **entrepreneur**, which is a person who starts a business. Eddie recently graduated from college with a degree in computer programming and has developed an app that he believes will make him a small fortune. So, instead of working nine to five for a software company in Silicon Valley, he decides to start his own. He wants to challenge himself and work the way he wants to without answering to a boss. He's using a small inheritance to fund the start-up. As an entrepreneur, Eddie is not only starting a business, but is risking his personal wealth to establish it.

Eddie is also trying to convince some friends from school to form an entrepreneurial team with him. An **entrepreneurial team** is a group of people that help spread out the risk of the new venture and also bring in different talents and skill sets to it. Eddie has a friend who majored in accounting and another who majored in marketing. He's hoping they may come along with him and bring their skills and some cash. If he can build the right team, he can create a synergy, where the group can achieve more together than they can apart.

Examples of Entrepreneurs

Eddie hopes that his entrepreneurial gamble will pay off as well as the gambles of other well-known entrepreneurs, such as:

- Bill Gates, founder of Microsoft. There are probably not many people that have not been touched by one of his products, such as Microsoft Windows, Microsoft Office and Internet Explorer.
- Steve Jobs, co-founder of Apple computers, which produces Macs, iPods and iPhones, as well as Apple TV.
- Mark Zuckerberg, the founder of Facebook.
- Pierre Omidyar, founder of eBay.
- Arianna Huffington, founder of the Huffington Post, a well-known online news site.
- Caterina Fake, co-founder of Flickr, which hosts images and videos on the Internet.

Types of Entrepreneurs

One of the reasons there is disagreement over the definition of entrepreneur is that it includes so many different types of self-employed businesses. Some common types of entrepreneurship include:

Small business: This includes mom and pop shops and local business owners. Small business can include partnerships, sole proprietors and LLCs. Generally its any business that has less than 500 employees, according to the Small Business Administration.

Home-Based Business: A home based business could fit under the category of small business, but the primary factor in this case is that it's run from home, as opposed to an office or other location. But just because a business is run from home, doesn't mean it can't compete with larger businesses. In fact, many large corporations were started from home.

Online Business: Internet-based business can be small, home-based or even large corporations.

The key difference here is that the business is operated primarily online. This includes companies like Amazon or other e-commerce businesses, blogger, E bay and Etsy owners, and any other business that does the majority of its business online.

Inventors: For an inventor to be considered an entrepreneur, he needs to go beyond the idea stage to build the product and get it to market.

A good example of inventors that transition to entrepreneurs is contestants on Shark Tank.

Serial entrepreneur: Many entrepreneurs get the most joy out of starting and building a business, but not in its continued management, so they sell it to launch a new idea. They are still considered entrepreneurs because they operate and assume risk in the business for the time they

own it. Other times, serial entrepreneurs juggle several businesses at once, earning multiple streams of income.

Characteristics of a Successful Entrepreneur

Some suggest that the entrepreneurial drive is innate, a trait acquired at birth, while others disagree and believe that anyone can become an entrepreneur. Whether a person is born to it or develops it, there are characteristics and traits required to successful entrepreneurship including:

- **Passion** - Talk to successful entrepreneurs and you'll nearly always hear the word passion when they describe what they do. Following your passion is one of the best predictor of success.
- **Independent thinking** - Entrepreneurs often think outside the box.
- **Optimism** - It's difficult to succeed at anything if you don't believe in a good outcome. Entrepreneurs are dreamers and believe their ideas are possible, even when they seem unattainable.
- **Self-confidence** - This is not to say entrepreneurs never have self-doubt, but they're able to overcome it and believe they can achieve their goal.
- **Resourceful and problem solvers** - Lack of assets, knowledge, and resources are common, but entrepreneurs are able to get what they need or figure out how to use what they've got. They never let problems and challenges get in the way, and instead find ways to achieve their goals despite hardships.
- **Tenacity and ability to overcome hardship** - Entrepreneurs don't quit at the first, second or even hundredth obstacle. For them, failure is not an option, so they continue to work toward success, even when things go wrong.
- **Vision** - Some of the more stringent definitions of entrepreneurship include vision as a necessary element. It helps to know your end goal when you start. Further, vision is the fuel that propels you forward toward your goal.
- **Focus** - It's easy in this fast paced, constant info-in-your-face world to get distracted. This is especially true for start-ups, that often get side-tracked by shiny object syndrome (i.e. products and services that promise fast results), or bogged down in unimportant busy work. Successful entrepreneurs are focused on what will bring results.
- **Action oriented** - Entrepreneurs don't expect something from nothing and they don't wait for things to happen. They are doers. They overcome challenges and avoid procrastination.

How to Become an Entrepreneur

One of the great things about becoming an entrepreneur is that anyone can do it. Steve Jobs, Bill Gates and Mark Zuckerberg were in college when they started Apple, Microsoft and Facebook respectively. The world is littered with entrepreneurs you never heard of who had an idea and

turned it into a business. Becoming an entrepreneur isn't hard, but it is work and requires many steps including:

- Development of the characteristics mentioned above.
- A great idea
- A plan
- Consistent execution of the plan.

Reference

- www.google.com
- www.wikipedia.com
- www.studymafia.org