
Entrepreneurship management

Lecture 8

Who are entrepreneurs?

- Common traits
 - Original thinkers
 - Risk takers
 - Take responsibility for own actions
 - Feel competent and capable
 - Set high goals and enjoy working toward them
- Common traits
 - Self employed parents
 - Firstborns
 - Between 30-50 years old
 - Well educated – 80% have college degree and 1/3 have a graduate level degree

Successful and Unsuccessful Entrepreneurs

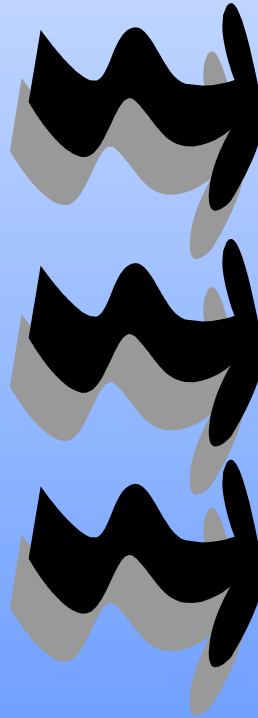
- Successful
 - Creative and Innovative
 - Position themselves in shifting or new markets
 - Create new products
 - Create new processes
 - Create new delivery
- Unsuccessful
 - Poor Managers
 - Low work ethic
 - Inefficient
 - Failure to plan and prepare
 - Poor money managers

Characteristics of Entrepreneurs

Key Personal
Attributes

Strong Managerial
Competencies

Good Technical Skills



Successful
Entrepreneurs



Key Personal Attributes

- **Entrepreneurs are Made, Not Born!**
 - Many of these key attributes are developed early in life, with the family environment playing an important role
 - Entrepreneurs tend to have had self employed parents who tend to support and encourage independence, achievement, and responsibility
 - Firstborns tend to have more entrepreneurial attributes because they receive more attention, have to forge their own way, thus creating higher self-confidence

Key Personal Attributes (cont.)

- Entrepreneurial Careers
 - The idea that entrepreneurial success leads to more entrepreneurial activity may explain why many entrepreneurs start multiple companies over the course of their career
 - Corridor Principle- Using one business to start or acquire others and then repeating the process
 - Serial Entrepreneurs- A person who founds and operates multiple companies during one career

Key Personal Attributes (cont.)

- Need for Achievement
 - A person's desire either for excellence or to succeed in competitive situations
 - High achievers take responsibility for attaining their goals, set moderately difficult goals, and want immediate feedback on their performance
 - Success is measured in terms of what those efforts have accomplished
 - McClelland's research

Key Personal Attributes (cont.)

- Desire for Independence
 - Entrepreneurs often seek independence from others
 - As a result, they generally aren't motivated to perform well in large, bureaucratic organizations
 - Entrepreneurs have internal drive, are confident in their own abilities, and possess a great deal of self-respect

Key Personal Attributes (cont.)

- **Self-Confidence**
 - Because of the high risks involved in running an entrepreneurial organization, having an “upbeat” and self-confident attitude is essential
 - A successful track record leads to improved self-confidence and self-esteem
 - Self-confidence enables that person to be optimistic in representing the firm to employees and customers alike

Key Personal Attributes (cont.)

- Self-Sacrifice
 - Essential
 - Nothing worth having is free
 - Success has a high price, and entrepreneurs have to be willing to sacrifice certain things

One More Time

- What is an entrepreneur?
- Characteristics of an entrepreneur
- Planning to be an entrepreneur
- Growth pressures, managing a family business, and corporate intrapreneurship