

The Foundations of Entrepreneurship

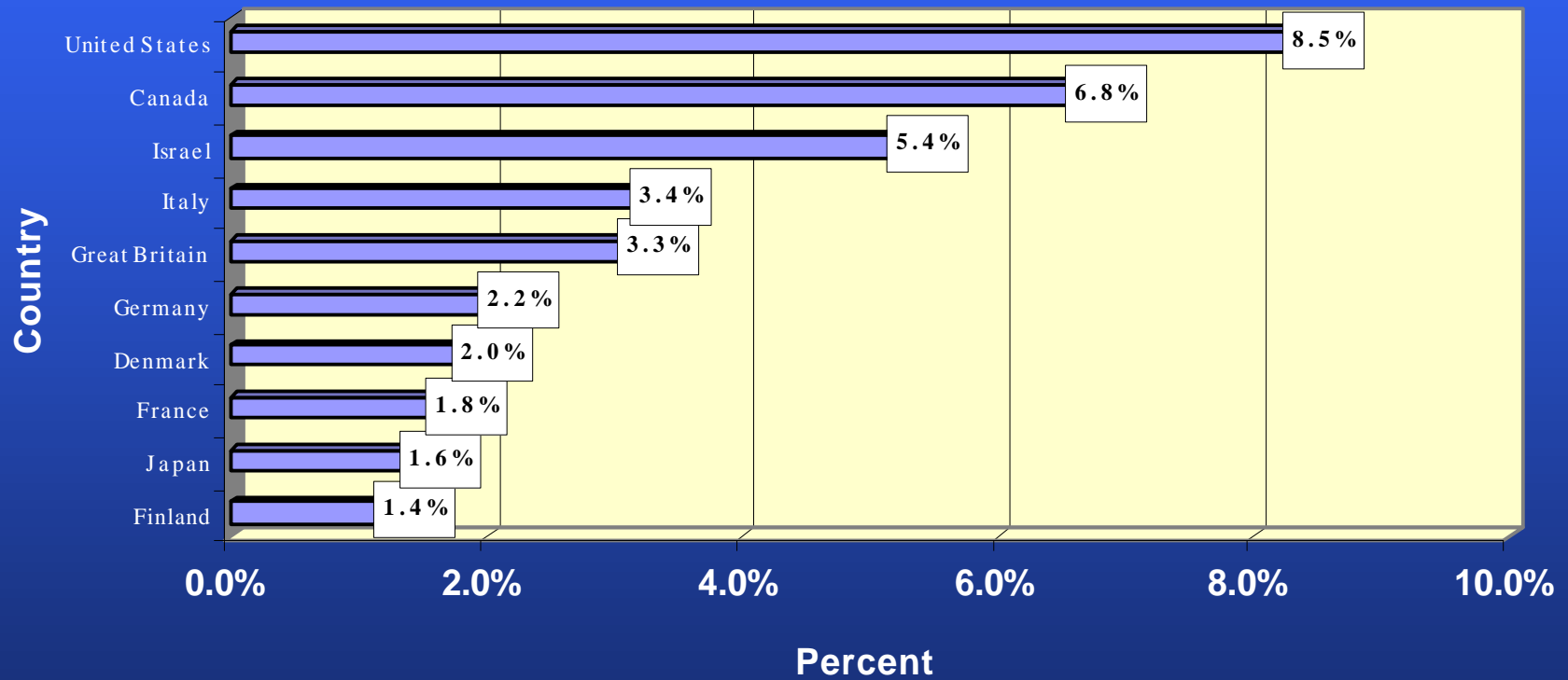


The World of the Entrepreneur

- A new business is born every 11 seconds in the United States
- Study of influential Americans – *the* defining issue of the 21st Century: Entrepreneurship!
- One of 12 Americans is actively involved in trying to start a new business.

Entrepreneurial Activity Across the Globe

Percentage of Adult Population Working to Start a New Business



What is an Entrepreneur?

One who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalize on them.

Characteristics of Entrepreneurs

- Desire for responsibility
- Preference for moderate risk
- Confidence in their ability to succeed
- Desire for immediate feedback
- High level of energy
- Future orientation
- Skilled at organizing
- Value achievement over money

Benefits of Small Business Ownership

The opportunity to:

- create your own destiny
- make a difference
- reach your full potential
- reap unlimited profits
- contribute to society and be recognized for your efforts
- do what you enjoy and have fun at it



Drawbacks of Small Business Ownership

- Uncertainty of income
- Risk of losing your entire investment
- Long hours and hard work
- Lower quality of life until the business gets established
- High levels of stress
- Complete responsibility
- Discouragement



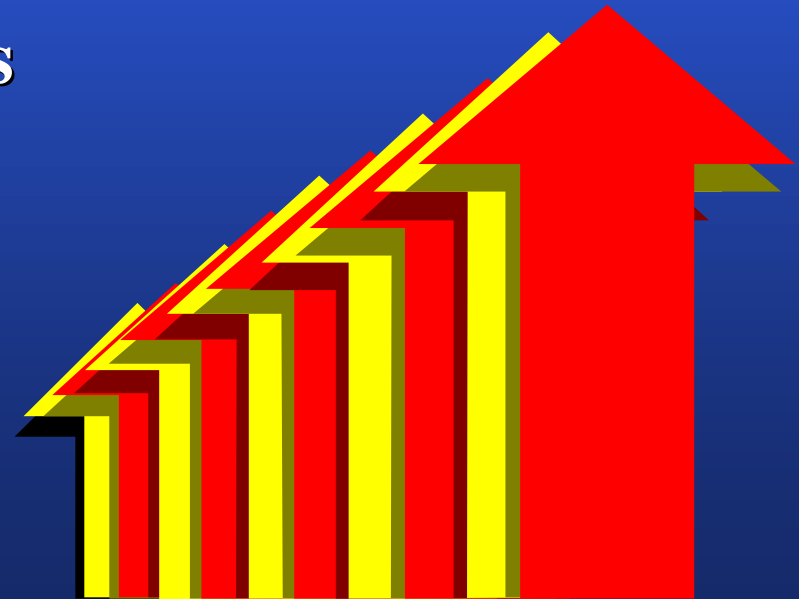
Feeding the Entrepreneurial Fire

- **Entrepreneurs as heroes**
- **Entrepreneurial education**
- **Demographic and economic factors**
- **Shift to a service economy**
- **Technological advancements**
- **Independent lifestyles**
- **E-Commerce and the World Wide Web**
- **International opportunities**

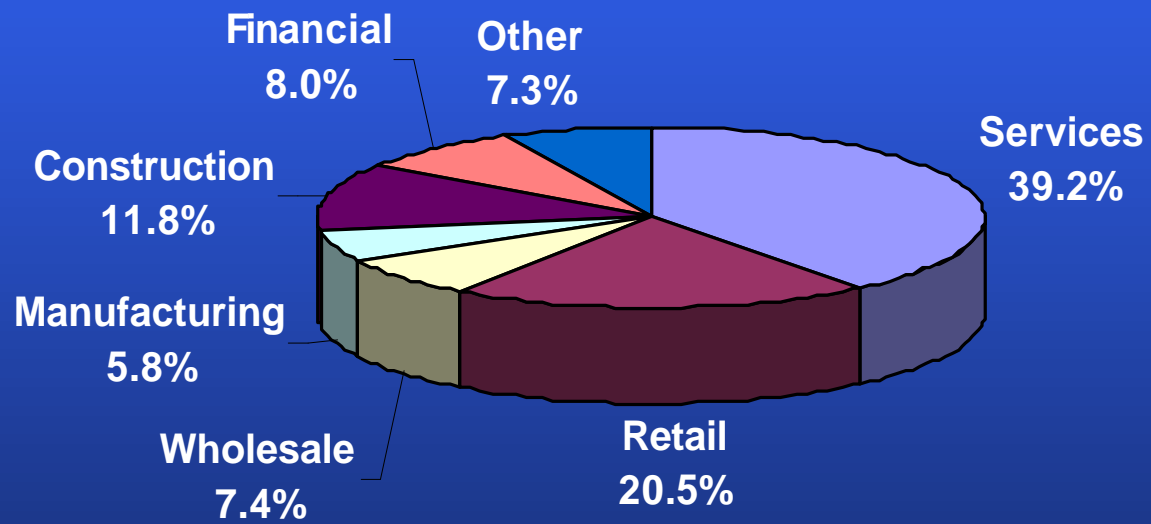


The Cultural Diversity of Entrepreneurship

- Young entrepreneurs
- Women
- Minority-owned enterprises
- Immigrant entrepreneurs
- Part-time entrepreneurs
- Home-based businesses
- Family businesses
- Copreneurs
- Corporate castoffs
- Corporate dropouts

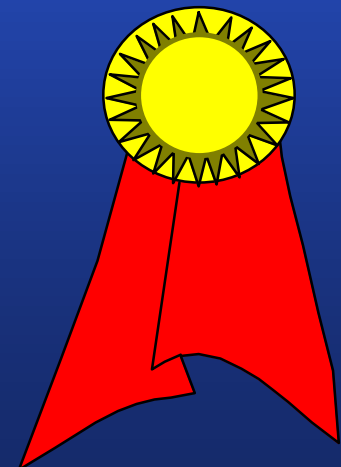


Small Business by Industry



Small Businesses

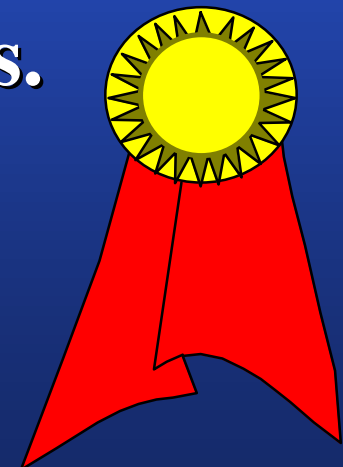
- Make up 99% of all businesses in the United States.
- Employ 53% of the nation's private sector workforce.
- Create more jobs than big businesses.
- Are leaders in offering training and advancement opportunities to workers.



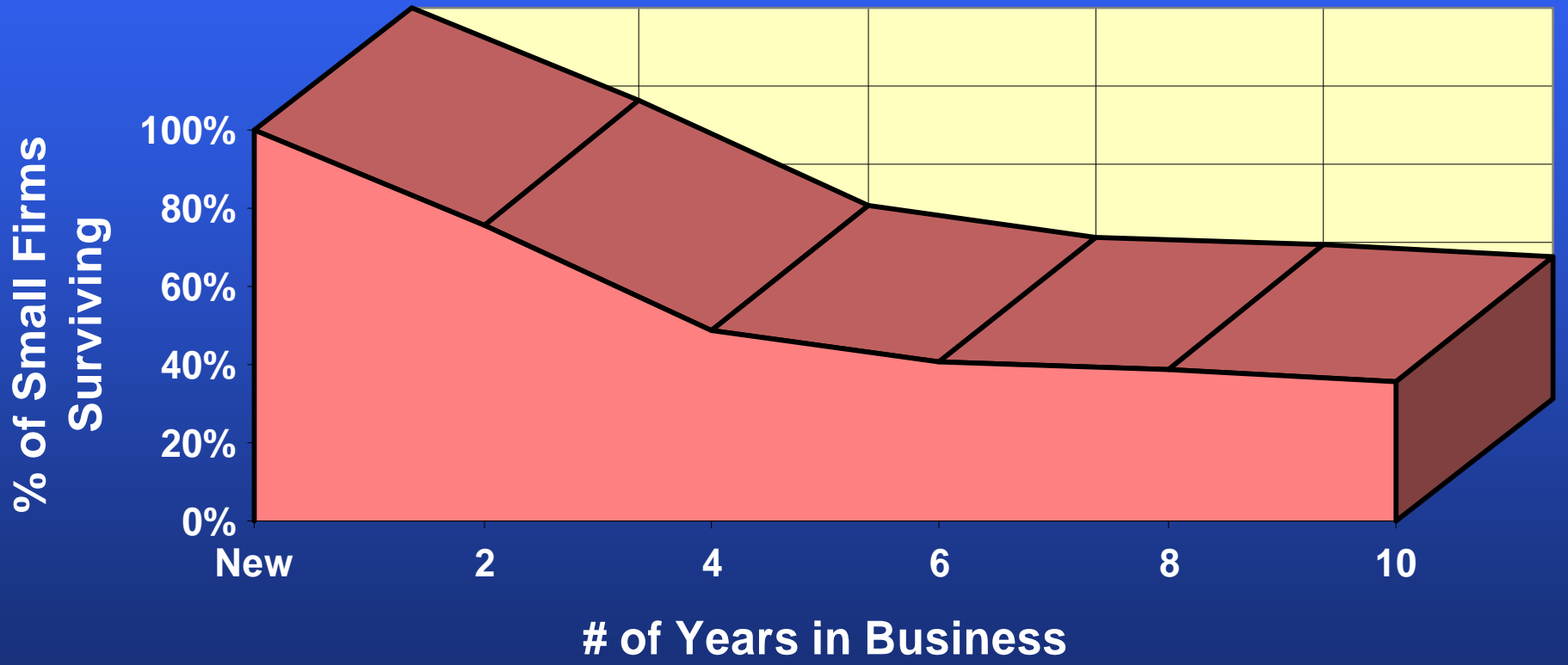
Small Businesses

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- Produce 51% of the nation's private GDP.
- Account for 47% of business sales.
- Create 4X more innovations per R & D dollar spent than medium-size firms and 24X as many as large companies.



Small Business Survival Rate



The Small Business Failure Record

- 24% of new businesses fail after two years.
- 51% fail within four years.
- 63% fail within six years.



Nine Deadly Mistakes of Entrepreneurship

- 1. Management incompetence**
- 2. Lack of experience**
- 3. Poor financial control**
- 4. Failure to develop a strategic plan**
- 5. Uncontrolled growth**

Nine Deadly Mistakes of Entrepreneurship

(continued)

6. **Poor location**
7. **Improper inventory control**
8. **Incorrect pricing**
9. **Inability to make the “entrepreneurial transition”**

Avoiding the Pitfalls of Small Business Failure

- Know your business in depth
- Develop a solid business plan
- Manage financial resources
- Understand financial statements
- Learn to manage people effectively
- Keep in tune with yourself

