



## Understanding Entrepreneurship

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People use their resources to maintain or increase their well-being. Change affects people's well-being, and recently many find that their well-being is harder to maintain given the rapid pace of change. The uncertainty that comes with change has increased the interest in entrepreneurship. While the concept may sound good, a clear understanding of what is meant by entrepreneurship is needed before anyone can become more entrepreneurial.

An entrepreneur sees an opportunity, figures out a way to acquire the needed resources, and acts to turn the opportunity into a reward. Entrepreneurship often brings to mind a fast growing business started by one or two people with a good idea and a willingness to work hard. However, entrepreneurship can also help individuals, families, organizations, and communities turn opportunities into actions to maintain or increase well-being. The wealth that comes from increased well-being can be cultural, social, environmental, or financial.

Entrepreneurship is not a single all-or-nothing trait. Entrepreneurial behavior can be encouraged, because most people have some traits associated with this type of behavior. Some people feel that they are capable of taking advantage of good opportunities. They expect surprises and can easily adjust. They may also be creative and growth-oriented. These traits are entrepreneurial.

### Four types of entrepreneur

#### *The Achiever*

Achievers are willing to work long and hard to reach their personal goals. They like to plan and are committed to making things happen. They are good at dealing with crises and trying to be good at everything. They should focus on running small organizations and be careful not to expect themselves to know everything. Large organizations or those that are controlled by outsiders may be too structured for the achiever.

#### *The Salesperson*

Salespeople care about people and want to help them.

They use a soft-sell approach, and their customers buy from them as a way to show gratitude for the help offered by the salesperson. They should focus on selling and have someone else manage the business.

#### *The Manager*

Managers are competitive, decisive, and feel comfortable being in charge. They may be good at sales because they use logic and persuasion. They are good at managing major growth in a new organization or an existing operation needing their talents. They may tend to over-manage a small operation and need to be careful that they really have the knowledge and skills they need.

#### *The Inventor*

Inventors are drawn to new ideas and finding ways to get ahead of the competition. They may be idealistic and get carried away with their enthusiasm. They are good at envisioning solutions to challenges for an organization. They need to stay away from areas in which they are not experts and remember that some of their ideas may not be the best.

Some people possess more than one type of entrepreneurship. For example, achiever and manager types are often found in combination. The people with more traits are most likely to be successful entrepreneurs because they can handle more types of situations. If you see yourself in one category, then look for the other complementary traits in a partner or group member.

An opportunity must pass two tests before an entrepreneur will move forward:

1. Will acting on the opportunity improve my own or my group's well-being in the future?

Entrepreneurs will not look around and see problems, they will see opportunities.

2. Am I able to make change happen?

Entrepreneurs feel they are able to make things happen.

### Becoming entrepreneurial

Some people are not comfortable with change. They like to know what is going to happen in order to use the resources they control most effectively. They will tend to stay with the status quo. These traits are administrative. Behaviors seen in administrative organizations include

- measuring success based on the use of existing resources
- focusing on quick results
- making decisions slowly
- showing little willingness to change after a decision to commit resources is made
- using well defined structures with a well defined line of authority and responsibility
- concentrating on risk reduction.

Administrators, rather than entrepreneurs, are encouraged in these types of organizations, preventing these groups from taking advantage of new opportunities.

As shown in the box below, administrators and entrepreneurs do not ask the same question when they look at an opportunity.

In the past, an entrepreneur was seen almost as a hero, such as Thomas Edison or Henry Ford, who had a big idea, worked hard, and was creative enough to become a big success. The average worker depended on the entrepreneurial hero to give them opportunities. Books written by American CEOs such as Lee Iacocca describe how one leader worked for a company's success. Mr. Iacocca clearly did not make Chrysler a success all by himself.

One person will have a difficult time going it alone in today's complex world. Entrepreneurship that creates a group in which people become a team is essential. Team members can learn about each other's abilities and have close complementary relationships. Innovation is important at all levels, and group members should be treated

equally. Command and control is replaced by coordination and communication. The rewards from success go to the whole group, not just those at the top.

The creative process starts with one good idea. Most groups can come up with lots of good ideas. The desire to innovate is born in some people. It can be encouraged, especially at an early age. If the leadership does not really want ideas, the group quickly learns this and will not offer them. A willingness to welcome new ideas or to ask for them will bring the inventors in the group forward.

Once an idea is found, hard work is needed to turn the idea into reality. The effort required to move ahead with an idea requires faith, persistence, and communication. The courage needed to risk failure prevents many from trying, and therefore effort must be rewarded. Entrepreneurship cannot occur if the group is not committed to taking an idea and using it to produce well-being in the future.

Education and training can encourage entrepreneurship. Topics that help develop entrepreneurial traits include

- **Achievement**—solving problems, setting goals, evaluating decisions, keeping focused, managing money and time
- **Business**—preparing a business plan, understanding business management and economics
- **Individuals**—understanding diversity, communicating, motivating, negotiating, mentoring, selling
- **Groups**—team building, facilitating, leading, resolving conflicts, governing
- **Creativity**—visualization, positive thinking, building self-esteem, relaxing
- **Experience**—rotating jobs, playing different roles, mentoring by experienced entrepreneurs.

The future is certain to come and it is guaranteed to be different from today. Entrepreneurship can help everyone create a more positive future.

#### **Administrators ask**

- What opportunity fits the resources I control?
- What must be considered in looking at the opportunity?
- What must be done to commit the resources?
- How do I own or employ any new resources that I need?
- How do I keep others from affecting my control of the resources and my performance?

#### **Entrepreneurs ask**

- Where is the opportunity?
- How do I act on the opportunity?
- What resources do I need?
- How do I control the resources?
- What is the best way to organize?