

## The Entrepreneur's Checklist

What personality traits are important to entrepreneurial success? This checklist is by no means definitive, but if you don't have at least a majority of these traits, your chances of business success will be greatly diminished.



### **You must be self motivated.**

If you don't have the wherewithal to bounce out of bed each day without your partner drenching you with cold water, chances are you don't have the self motivation or discipline required to be an entrepreneur.

### **You can't be afraid of hard work.**

If you think working for someone else is hard work, try starting your own business. You will be required to give every ounce of blood, sweat, and tears you can muster and then some.

### **You should have experience in the type of business you plan to start.**

If you can't locate your car's engine you have no business buying an oil change franchise. The most successful business owners have prior experience in the industry in which they have set up shop.

### **You must be able to climb back on the horse.**

If business was easy, everybody would do it. Starting a business is hard work and the odds for failure are against you in the first few years.

If you want to ride herd on your own business, you must be willing to fall off your horse and get back on a few times without giving up.

### **You need the support of your family.**

When you start a business you may have to spend more time away from the family than you like. The business may also put a strain on you financially.

You will have enough obstacles in your way without having to worry if you have the support of your family and those closest to you.



### **You must have a thick skin.**

If your feelings are easily hurt, keep your non-threatening day job because business is not for you.

Many days in business, rejection waits around every corner and you must be able to handle rejection without taking it personally.



### **You must interact well with others.**

Being an entrepreneur requires interacting with a variety of people, from your own employees to vendors to customers to investors. You must have the ability to effectively manage people without offending them; the ability to accept good advice from mentors and politely discount the bad; the ability to overlook mistakes or quietly rectify them.

### **The deeper your pockets the better.**

The number one cause of business failure is a lack of money. Before you start your business you should have access to enough capital to see you through until the business can sustain itself.

### **You must be able to delegate.**

Running a business requires the performance of dozens of simultaneous tasks and it's foolish to try to handle them all yourself. You must learn to put your trust in others. If you can't dish out responsibility without worrying over the result, your business growth will be limited.

### **Previous business ownership is a plus.**

Business is a lot like marriage: you learn a lot from the first one that may come in handy the second or third time around!

# The Risks Of Entrepreneurship



The "spark" for many entrepreneurs is seeing an opportunity that doesn't yet exist.

Ted Turner, for example, launched CNN because he perceived that people wanted more television news than they were being offered.

It took a lot of patience on Turner's part to realise the vision, but he had read the market in a way that few "experts" did at the time.

In realising the promise of CNN, Turner demonstrated another facet of the entrepreneurial spirit, persistence.

There are a lot of bright ideas that never reach fruition; taking a "raw" idea and converting it into a successful business model is very hard work.

And that work never stops. No matter how innovative your idea, the competition is always just behind you.

With anything less than constant creative effort on your part, they may not stay behind you.

Are you still with me? Here is where I reveal why everyone isn't an entrepreneur:

No opportunity is a sure thing, even though the path to riches has been described as, simply "...you make some stuff, sell it for more than it cost you... that's all there is except for a few million details."

The devil is in those details, and if one is not prepared to accept the possibility of failure, one should not attempt a business start-up.

It is not indicative of a negative perspective to say that an analysis of the possible reasons for failure enhances our chances of success.

Can you separate failure of an idea from personal failure? As scary as it is to consider, many of the great entrepreneurial success stories started with a failure or two.

Some types of failure can indicate that we may not be entrepreneurial material. Foremost is reaching one's level of incompetence; if I am a great programmer, will I be a great software company president?

Attitudinal problems can also be fatal, such as excessive focus on financial rewards, without the willingness to put in the work and attention required. Addressing these possibilities requires an objectivity about ourselves that not everyone can manage.

Other types of failure can be recovered from if you "learned your lesson." A common explanation for these is that "it seemed like a good idea at the time."

Or, we may have sought too big a "kill;" we could have looked past the flaws in a business concept because it was a business we wanted to be in.



The venture could have been the victim of a muddled business concept, a weak business plan, or (more often) the absence of a plan.

When small businesses fail, the reason is generally one, or a combination, of the following:

- inadequate financing often due to overly optimistic sales projections;
- management shortcomings, such as inadequate financial controls, lax customer credit, inexperience, and neglect, and;
- misreading the market, indicated by failure to reach the "critical mass" required in sales volume and profitability, usually due to competitive disadvantages or market weakness.

In a recent Wall Street Journal article titled "Why My Business Failed," Ken Elias cautions that "even if the concept is right, it won't fly if the strategy is wrong."

Still, on being asked whether he would start another business today, he answers: "Absolutely. The experience is fabulous, exciting and the possibility of success is always there."



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**Next month: The Keys To Success In Business ~ Why Business Plans Fail**