

Entrepreneurship—An Alternate Career Choice

By Nancy Michaels

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If you've recently started your own business—or if you're thinking about it—you have a lot of company. Entrepreneurship is becoming an increasingly popular career choice in today's marketplace.

While many individuals go on their own internal reasons—a passionate need to be independent, a burning desire to turn a hobby into a profession, or the love of a challenge—others have chosen the entrepreneur route in response to external situations, including layoffs, frustration with their current workplace culture, or a need for greater flexibility in their lives.

Owning a business has become the twenty-first century version of the 1950s American dream of owning a home. But entrepreneurship is not for everyone. It's important to consider whether you have what it takes to start a business and run it successfully.

You've probably heard that start-up statistics are grim. The truth is that just 30 percent of business start-ups survive more than five years. Stories of overnight successes and young millionaires are rare. The dot.com era ended two years ago, and venture capital money is increasingly hard to secure. The hardworking, determined, visionary who dedicates long hours and endless energy to his or her business is the more realistic picture of today's entrepreneur.

Entrepreneurs face a myriad of internal and external challenges. Within their companies, they need to offer a superior product or service. They need to manage cash flow and maintain profitability and hire and retain the right mix of people. Externally, factors such as access to financing, the economy, government regulations, and technological issues impact entrepreneurs on a regular basis.

Many small businesses fail because of weaknesses in general management, financial management, and marketing (Statistics Canada, "Failing Concerns: Business Bankruptcy in Canada"). Undercapitalization—or insufficient funds—is another common pitfall. Michael Gerber cites the "entrepreneurial seizure" as a primary reason for failure in his book "The E Myth, Why Most Small Businesses Don't Work, and What To Do About It." Gerber says many entrepreneurs pursue the dream of being their own boss but fatally assume that an understanding of the technical nature of a business is enough to achieve success.

To avoid becoming a casualty of the start-up craze, it's critical to be aware of the pros and cons of running a business. Sure, you have the potential to earn gobs of money, you can set your own hours and be your own boss. But there are many long hours, substantial risk and lots of dirty work required in the growing stages of any young firm.

"What surprised me the most was the sense of isolation I initially felt," says Susan LaPlante-Dube, 38, who runs Precision Marketing Group out of her home in Upton, MA. "I was used to walking down the hall to bounce ideas off someone, and that was suddenly not an option. I quickly learned to schedule time out of the office to meet with people and gain a different perspective."

Are You an Entrepreneur?

One recent study of entrepreneurs (William E. Jennings, "A Profile of the Entrepreneur") asked subjects to rank several traits and attitudes related to business ownership in order of importance. Results showed the most important attributes to be:

- Perseverance
- Desire and willingness to take initiative
- Competitiveness
- Self-reliance
- Strong need to achieve
- Self-confidence
- Good physical health

Filling out the bottom of the list were some surprising attributes, including a strong desire for money, patience, organizational skills, and a need for power. Today's entrepreneurs are more interested in competition and achievement than money or power.

So do you have what it takes to run a business? Ask yourself these questions to help you decide.

- Are you willing to work long hours and make the sacrifices necessary to get your business going?
- Do you want to bear the responsibility for all business decisions and responsibilities related to your company?
- Are you independent, disciplined, and committed to entrepreneurship?
- Are you ready to serve multi-roles within your organization?
- Finally, successful entrepreneurs often allude to good old-fashioned luck as playing a role in their success. But successful business owners prepare themselves to recognize and seize opportunities when they arise.

Where To Start

Gather as much information as you can about your idea. Learn about the industry, the best ways to deliver your product or service, your competition, and potential obstacles. Talk to other entrepreneurs about what has worked for them, and read relevant trade journals, books, and business publications. Attend some gatherings of a professional association of entrepreneurs or prospective customers. Stay abreast of trends within your chosen field and keep current on issues affecting entrepreneurs.

Create a detailed plan for your business. If your venture will require any outside funding, you'll need a business plan. These plans are a key building block for any successful business. Set goals for your business, then break the goals down into achievable steps. A good plan will help you maintain focus when things become overwhelming.

Networking can begin immediately when starting a business. If you've chosen to keep your day job until your business gets going, then maintain good relationships at work. Tap into professional organizations and your personal network of friends and family. Keep in mind that effective networking creates mutually beneficial relationships.

Research all financial aspects of your business. Access to capital is the "make or break" of many firms, so learn about the various ways to obtain funding—friends and family, bank loans, venture capitalists, angel investors. Know how much money you have, how much you'll need to get going, and how much you need to make to achieve your goals.

Determine what types of equipment and materials you may need. For some—consultants, writers, coaches—a computer and a phone line may be sufficient. Those seeking to manufacture products may need to set up an entire assembly line.

Human resources are a huge asset to successful firms. While it may not be realistic when a business is just starting, hire out your weaknesses as soon as possible. If bookkeeping is a time-consuming chore, hire an accountant. Get an assistant to handle clerical work. This frees you up to spend time strategizing and growing the business.

Trying to decide when to give up your day job can be tricky. Go gradually. Wait until you have some regular clients lined up, a plan in place.

Starting a business can be overwhelming, especially for those who are maintaining other employment. Remember to carve out time for friends, family, and fun. Create boundaries between your business and your personal life and honor them.

Entrepreneurship is not for the faint-hearted. There is no magic formula. But for those willing to work hard and take a chance, dreams can come true.

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