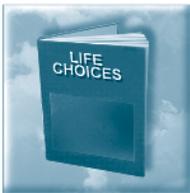


## Lesson 4: Becoming an Entrepreneur

Being an entrepreneur means being able to recognize needs or problems and, using the resources one has or can get, to meet those needs or solve those problems. An entrepreneur generates an idea and, through planning and work, brings that idea to market in the form of a product or service.



Many people would much rather have their own businesses than be employed by others. There is the opportunity for great success, both financially and personally. Successful entrepreneurs approach their business with passion.



To find out about what it means to start your own business, read the following articles in *Careers*.

- “What Is Entrepreneurship?” on page 48 explains that becoming an entrepreneur is more than starting a business.
- “Be Your Own Boss” on pages 103 to 105 focuses on organizing oneself to be successfully self-employed. The article includes a quiz about being a self-boss, information about developing a market plan and a financial plan, and some general guidelines for becoming an entrepreneur.
- “All Work and Little Play” on page 119 shows the vacation days of entrepreneurs.

<sup>1</sup>Judith Campbell, *Lifechoices: Careers Teacher Resource* (Scarborough: Prentice Hall Ginn Canada, 1999), 156. Reprinted with permission by Pearson Canada.



There is a tremendous amount of information on the Internet about entrepreneurship and starting a small business. Canadian sites that support small business and entrepreneurial ventures include the following:

- Canadian Youth Business Foundation  
<http://www.cybf.ca/>
- Canada Business Service Centres  
<http://www.cbsc.org/>

Financial information on starting a new business is available from many financial institutions. There are also numerous library resources that provide detailed information on starting your own business and developing entrepreneurial skills.

## Maintaining a Balance

Entrepreneurship has the the potential for success but there are also risks. Many of the problems encountered in building your own business are unknown or unpredictable. As well, there is no steady income, particularly in the beginning. It is often difficult for an entrepreneur to maintain a balance in his or her life.

There are some extreme demands on an entrepreneur, particularly a new one. Time is a resource that will seem to be in very short supply. A person may be overwhelmed by the things that need to be accomplished each day, even if a comprehensive business plan has been developed. Time-management and stress-management skills are particularly important if there is to be any semblance of balance in the life of the entrepreneur.

A would-be entrepreneur needs to decide, initially and then on an ongoing basis, whether pursuing the venture is really worth the effort and whether it is personally enjoyable. It is difficult to maintain balance in life when the entrepreneur is keen; if there is not enough enthusiasm or if there are too many problems and obstacles, the demands on resources can be far too much to cope with.

As well, an entrepreneur needs to consider the demands made on the time, energy, and money of family members and others who are dependent. A new business venture can drain personal finances and make time and energy demands on family members that they may not be willing to give. This can sour the entrepreneurial experience and lessen the support for the entrepreneur. The entrepreneur may regret having entered into the venture.

Another important aspect of maintaining balance in life is protecting yourself by “not putting all the eggs in one basket.” Not all ventures are successful. The entrepreneur needs to leave avenues open by actions such as getting enough education to be employable in other situations. It is also very important not to use all of one’s money because there needs to be enough to live on while finding a job if the venture fails.

<sup>1</sup> Judith Campbell, *Lifecoices: Careers Teacher Resource* (Scarborough: Prentice Hall Ginn Canada, 1999), 165. Reprinted with permission by Pearson Canada.

1. What skills does an entrepreneur need? In your notebook or electronic file, create a chart with the following headings. In the first column, list skills an entrepreneur should have. In the second column, identify the skills that you have that would support an entrepreneurial venture.

Skills That an Entrepreneur Needs	Skills That I Have
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Compare your answers with the Suggested Responses at the end of the lesson.

## Planning for Success

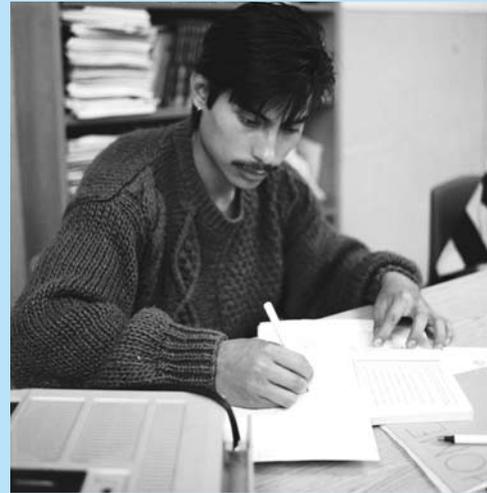
The first step in becoming an entrepreneur is recognizing the dream. There are many steps needed to make that dream a reality. The first is creating a business plan. It helps the entrepreneur to focus on all the practicalities needed to start the business.

Business plans are a necessity. Banks and financial institutions, investors, and almost any entity that might finance the business will require a detailed business plan that indicates that the entrepreneur has done all the research, contemplated and addressed all the obstacles, investigated the potential market, and in general has a substantial and potentially successful plan.

Besides all the requests and demands for a business plan, another real advantage of developing a plan is that the entrepreneur will have gone through the experience of organizing all the thoughts and considering all the details necessary to start up a business. This helps the entrepreneur stay focused on the business and what has to be done.

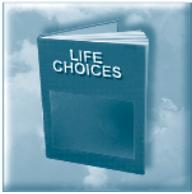
Business planning is a continuous process. Circumstances change, problems arise, and obstacles appear.

Continuous re-evaluation is a critical activity.



A detailed business plan, such as that which is required for financial institutions and investors, needs substantial research. Such plans usually contain a proposal, market analysis, budget and financing, timelines, and schedules.

<sup>1</sup>Judith Campbell, *Lifechoices: Careers Teacher Resource* (Scarborough: Prentice Hall Ginn Canada, 1999), 161–162. Reprinted with permission by Pearson Canada.



To learn more about starting up your own business, read the following articles in your *Careers* textbook.

- “Cash-Flow Basics” on page 98 provides basic advice on managing cash flow, such as closely monitoring accounts and keeping low inventories.
- “How to Get the Cash You Need to Start Your Own Business” on pages 98 and 99 looks at forming loan circles or peer-lending groups.

## Examples and Experiences

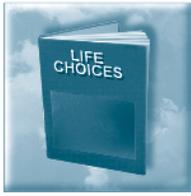
Entrepreneurial ventures vary considerably and can involve different forms of work. Here are descriptions of different types of entrepreneurs:

- Consultants provide a special expertise or skill that is sold to a client. Consultants base their business around this skill.
- Agents or representatives sell a product or service on behalf of several different companies.
- Individuals buy a franchise and run it, meaning that the entrepreneur buys the right to operate a particular business. The name, product, and operating set-up are all provided to the franchise owner.
- An independent small business owner may purchase an existing business or start a business from an idea, creating a product or service, and then sell that product or service.



2. What creative ideas for entrepreneurial ventures do you have? Use one of the following suggestions to help you identify an idea for a small business.
  - Brainstorm ideas for a new business. Include all ideas, no matter how silly they seem.
  - List three leisure activities or interests you have and explain how each could be converted into a small business.
  - Come up with two innovative ideas for any three of the following environments: your school, home, neighbourhood, community (city, town, rural area), a shopping district, a movie theatre, a fast-food restaurant, or the world.

**Compare your answers with the Suggested Responses at the end of the lesson.**



For more information about striking out on your own, read the following articles in *Careers*.

- “Buying the Boss” on page 71 discusses how a high school dropout purchases a desk-top publishing business.
  - “Venturing Out on Their Own” on pages 90 and 91 and “This Teen’s One for the Record” on pages 92 and 93 present examples of young Canadians starting businesses.
  - “Marnie’s Mobile Mums” on page 119 tells of how a small business that offers services to individuals has expanded to offer contracts to local companies.
3. Use the information from these articles to make a list of the qualities an individual needs to be a successful entrepreneur.

**Compare your answer with the Suggested Responses at the end of the lesson.**

If you’re interested in becoming an entrepreneur, you may wish to take courses in Enterprise and Innovation in Career and Technology Studies.

Go to page 5 of Assignment Booklet 3A and respond to question 4 of Section 3.

## Looking Back; Looking Ahead

This lesson gave you a glimpse of what it might be like to run your own business. The many resources mentioned in the lesson should be helpful sources of information if you choose entrepreneurship as your career path.

## Suggested Answers

1. Answers will vary, but your list should include some of the following skills:
  - creative thinking skills; thinking in new ways and making ideas happen
  - organization skills (able to balance life)
  - coping skills
  - problem-solving skills
  - financial expertise
  - ability to delegate; use of support when needed
  - time-management skills
2. Ideas for a new business will vary. Did you list as many ideas as you could, and then narrow your choices down to the one that you think could be the most viable and successful?
3. According to the articles, successful entrepreneurs should have these qualities:
  - goal oriented
  - willing to take initiative, self-motivated
  - self-confident
  - persistent and determined
  - perceptive
  - resourceful, self-reliant
  - looking for personal accomplishment
  - innovative
  - hard working
  - committed to goals, ideas, and ventures
  - visionary and creative
  - optimistic

They also need to have a spirit of adventure and a positive attitude.

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