

Figure out whether you're an entrepreneur

We're wrapping up a column series on evaluating whether the concept of business ownership is right for you. Most recently, we've discussed how to assess your risk tolerance by analyzing the way you think.



Dan Elder

We've covered the three main ways to earn income, outlined the risks associated with employment and franchise ownership, and examined how each personality type typically thinks (previous columns are archived at www.bgaccelerators.com/freeresources.html). If you didn't identify with either of those, then maybe you're an entrepreneur at heart.

Entrepreneurial business ownership

Entrepreneur thinking: "How can I meet the needs of my customers by profitably solving the problems they have?"

If you want to chart your own course, solve all your own problems, be captain of your own ship, be responsible for whatever success or failure comes and chafe at the thought of working for someone else in return for less risk, then you probably have the entrepreneurial bug.

Risk assessment

Being an independent business owner is a high-risk proposition, with a high probability of first-time failure.

Why high risk? Because you most likely will pledge every asset, such as home equity, savings, 401(k), etc., that you have to finance the startup or purchase of the business.

If your venture fails, you may lose everything you've spent or offered as collateral. (This is also true for franchise owners.)

Why high probability for failure? Because first-time entrepreneurs have such a clear vision of what they want to do and how to do it they think they know everything.

I have several colleagues who generally refuse to work with first-time entrepreneurs, because "they think they know more than I do and everything is a battle."

If your risk temperament is in line with the type of person I'm describing and you want to go forward, how can you improve your chances of success?

Buck the trend by getting experienced advice and counsel from those who have gone before. Be willing to listen to those who have graduated from the school of hard knocks and learn from their mistakes to avoid making them yourself.

Next, we'll wrap up this series by outlining why businesses generally succeed or fail, and I'll suggest some more reading resources and offer advice on how to navigate a path to success.

We've covered "employee think," "franchise owner think" and "entrepreneur think." Now, let me know what you think.

Dan Elder is a professional speaker, executive coach, business growth consultant, and author of the "Business Growth Accelerators" series on amazon.com. Learn more at www.bgaccelerators.com.

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