**Exploring Entrepreneurship**

**4.01 What traits and skills are needed to be a successful entrepreneur?**

**Entrepreneur**: An individual who undertakes the risk associated with creating, organizing, and owning a business.

**Entrepreneurship:** The process of starting and running one’s own business.

**Personal Characteristics** “**P**lease **C**all **R**alph **I**f **G**us **I**s **S**till **R**eading”

* Persistent
* Creative
* Responsible
* Inquisitive
* Goal-Oriented
* Independent
* Self-Confident
* Risk Taker

**Skills “Come Home, Mom Promised Tommy Brownies”**

**Come** – Communication Skills

**Home** – Human Relations Skills

**Mom** –Math Skills

**Promised** – Problem-solving Skills   
**Tommy** – Technical Skills

**Brownies** – Basic Business Skills

**4.02 What is the process of entrepreneurship?**

1. **Discovery**

The stage in which the entrepreneur generates ideas, recognizes opportunities, and studies the market.

* Consider your hobbies or skills
* Study demographics
* Conduct Surveys and questionnaires
* Consider consumer needs and wants

1. **Concept Development**
   * Develop a business plan:
   * A detailed proposal describing the business idea
   * Choose business location
   * Determine if a patent or trademark is required.
2. **Resourcing**

The stage in which the entrepreneur identifies and acquires the financial, human, capital resources needed for the venture startup, etc

* Identify potential investors
* Apply for loans, grants, and assistance
* Hire Employees

1. **Actualization**

The stage in which the entrepreneur operates the business and utilizes resources to achieve goals/objectives

* Grand Opening
* Day to day operations
* Expansion ideas

1. **Harvesting**

The stage in which the entrepreneur decides on venture’s future growth, development, or demise

* What is your 5-year plan?
* Consider Expansion:
  + Possibly add multiple locations
  + Providing different products/services
* What is your 10-year plan?
* Will you go public? NYSE or NASDAQ

**4.03 What are the procedures necessary for starting a business?**

**Develop a Business Plan**

* A detailed proposal that describes a new business
* Presented to potential investors and lenders
* Most business plans are 30 pages or more.

**Purpose of a Business Plan**

* To obtain financing
  + Banks and potential lenders require a business plan
  + Helps organize and analyze data critical to the new business
* To provide a start-up proposal
  + Provides an outline to follow when starting the business

**Parts of a Business Plan**

* **Executive Summary:** brief one- to two-page description of the key points of each section of the business plan
* **Product/service plan**: presents
  + Product or service being offered
  + Unique features of product or service
  + Management team plan:
  + Qualifications of the entrepreneur
  + Qualifications of any partners and Key employees who may be involved in the business venture

**Components of a Business Plan**

**Industry/market analysis**

Analyzes the:

* + Customers
  + Competition
  + Industry
  + Demographic, geographic, and economic data

**Operational Plan**: includes all processes involved in producing and/or delivering the product or service to the customer

**Organizational plan:**

* + Management philosophy of the business
  + Key management personnel
  + Key employment policies

**Marketing plan:**

* + How the business will make its customers aware of its products or services
  + The market being served
  + Marketing strategies
  + Promotional plan
  + Marketing budget

**Growth plan:** The growth plan presents plans for future expansion of the business

**Financial plan:** includes financial statements that will help forecast the future financial health of the business

**Finance the Business:**

* Identify family and friends who are potential investors.
* Are there other businesses that would be probable investors?
* Seek Employees
* Contact **financial agencies** for loans, grants and assistance:
* Small Business Administration
* Banks
* Credit Unions
* Insurance companies

**Legal Environment:**

* Permits or licenses
  + Building Permits
  + Cosmetology license
  + First aid certification
* Contracts
  + Between partners
  + Between owner and clients
* Zoning laws
* Taxes
* Trademarks: Protect business’ name or logo
* Patents: Protect invention of products or processes from theft
* Copyright: Protect creative works:
  + Literary
  + Musical
  + Dramatic
  + Artistic work