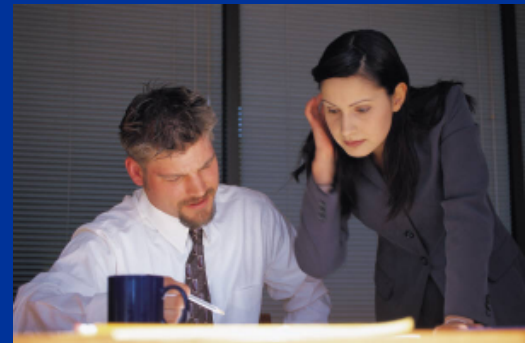


The Foundations of Entrepreneurship

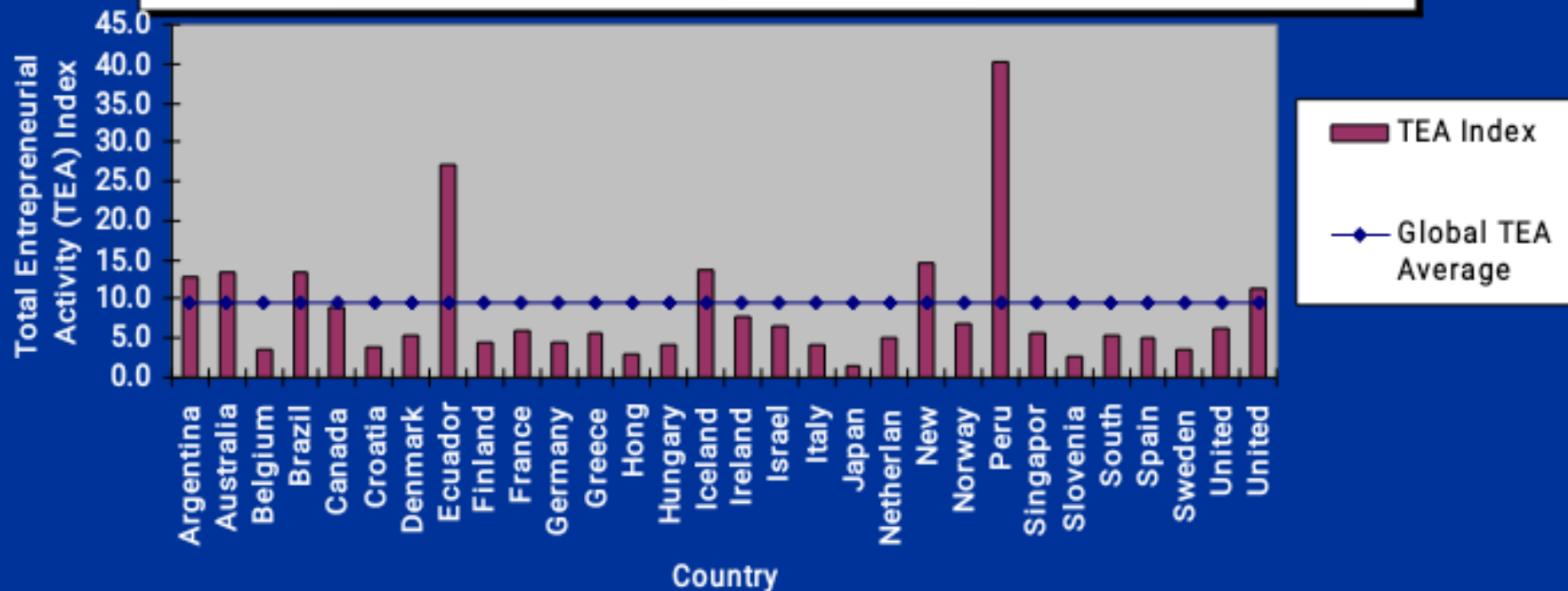


The World of the Entrepreneur

- Every year in the U.S., entrepreneurs launch 850,000 new businesses.
- Entrepreneurial spirit - the most significant economic development in recent history.
- GEM study: 11.3 percent of adult population in the U.S. is actively involved in trying to start a new business.

Entrepreneurial Activity Across the Globe

Persons per 100 Adults, 18-64 Years Old Engaged in Entrepreneurial Activity



The World of the Entrepreneur

- GEM study
 - Globally 9.4 percent of adults are actively engaged in trying to start a business.
 - Men are twice as likely as women to start a business (exactly the *opposite* trend in the U.S., however).
 - Nearly one-third of global entrepreneurs are between the ages of 25 and 44.

Chapter 1: Entrepreneurship



What Is an Entrepreneur?

One who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalize on them.



Characteristics of Entrepreneurs

- Desire for responsibility
- Preference for moderate risk – risk eliminators
- Confidence in their ability to succeed
- Desire for immediate feedback
- High level of energy
- Future orientation – serial entrepreneurs
- Skilled at organizing
- Value achievement over money

Entrepreneurship

- One characteristic of entrepreneurs stands out:

Diversity!

- *Anyone* – regardless of age, race, gender, color, national origin, or any other characteristic – can become an entrepreneur (although not everyone should).

Benefits of Entrepreneurship

The opportunity to:

- Create your own destiny
- Make a difference
- Reach your full potential
- Reap impressive profits
- Contribute to society and to be recognized for your efforts
- Do what you enjoy and to have fun at it



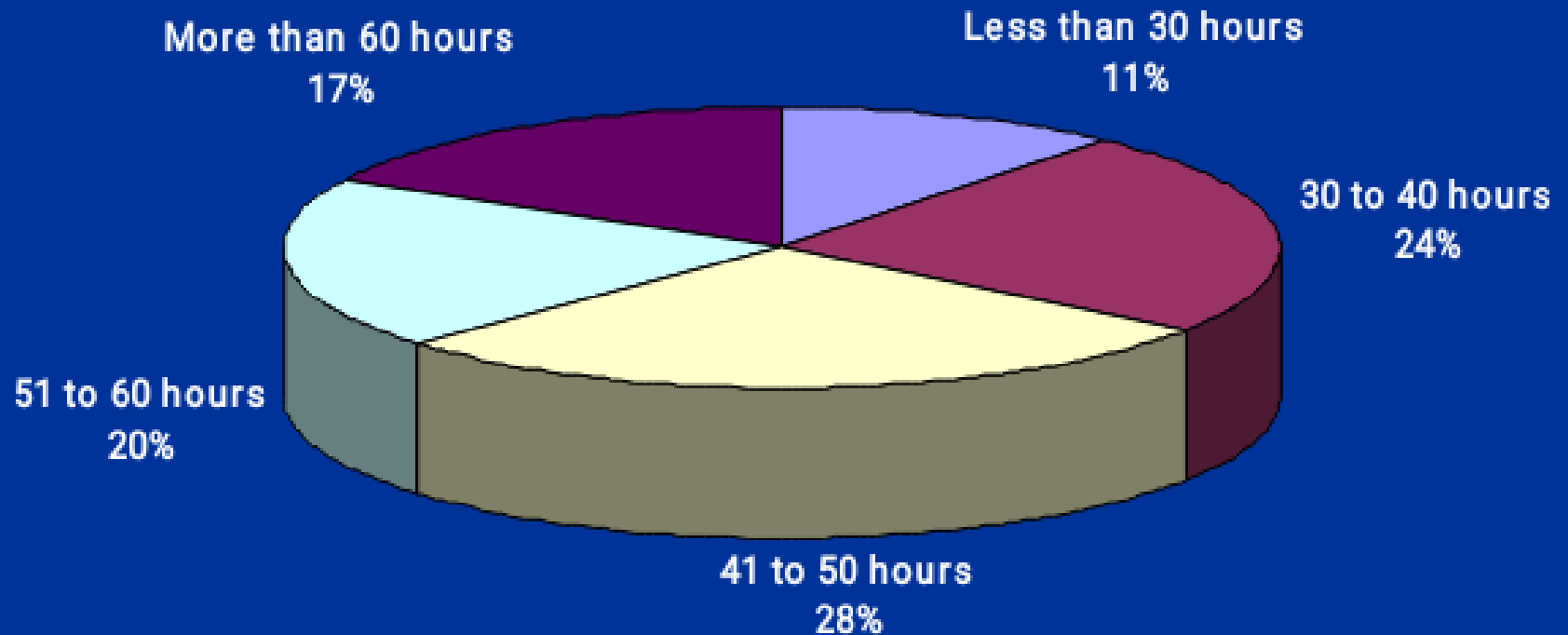
Drawbacks of Entrepreneurship

- Uncertainty of income
- Risk of losing your entire investment
- Long hours and hard work



Small Business Owners' Work Week

Number of Hours Worked per Week

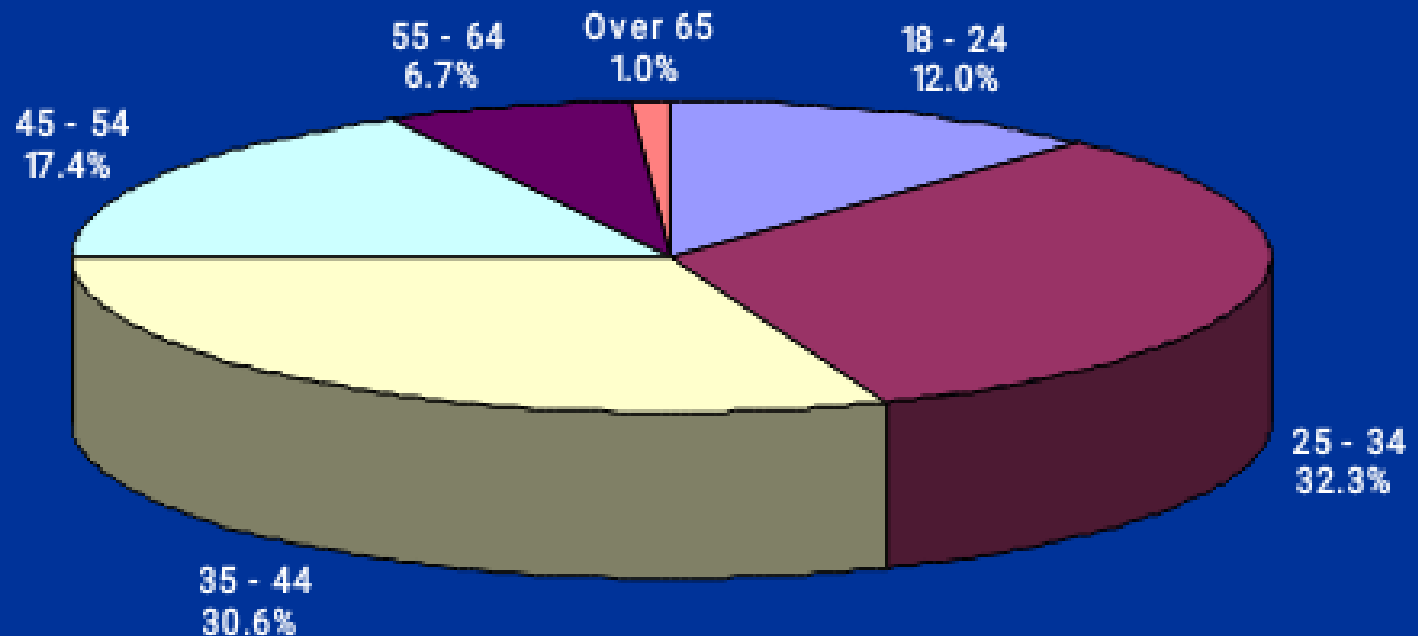


Drawbacks of Entrepreneurship

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- Risk of losing your entire investment
- Long hours and hard work
- Lower quality of life until the business gets established



Entrepreneurs' Age at Business Formation



Drawbacks of Entrepreneurship

- Uncertainty of income
- Risk of losing your entire investment
- Long hours and hard work
- Lower quality of life until the business gets established
- High levels of stress
- Complete responsibility
- Discouragement

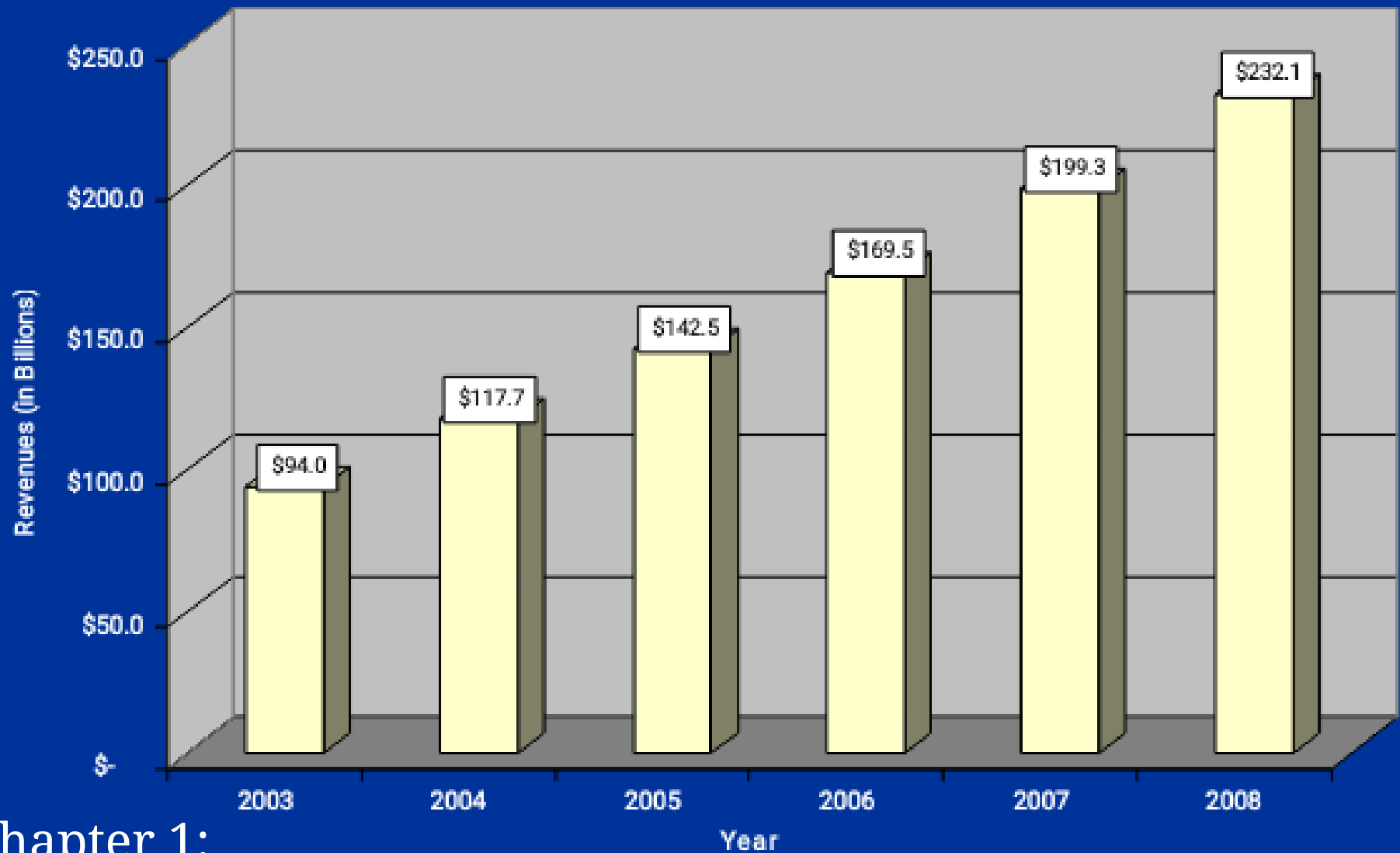


Feeding the Entrepreneurial Fire

- Entrepreneurs as heroes
- Entrepreneurial education
- Demographic and economic factors
- Shift to a service economy
- Technological advancements
- Independent lifestyle
- E-commerce and the World Wide Web



U.S. Retail E-Commerce Revenues



Feeding the Entrepreneurial Fire

- Entrepreneurs as heroes
- Entrepreneurial education
- Demographic and economic factors
- Shift to a service economy
- Technological advancements
- Independent lifestyles
- E-commerce and the World Wide Web
- International opportunities

Chapter 1:
Entrepreneurship



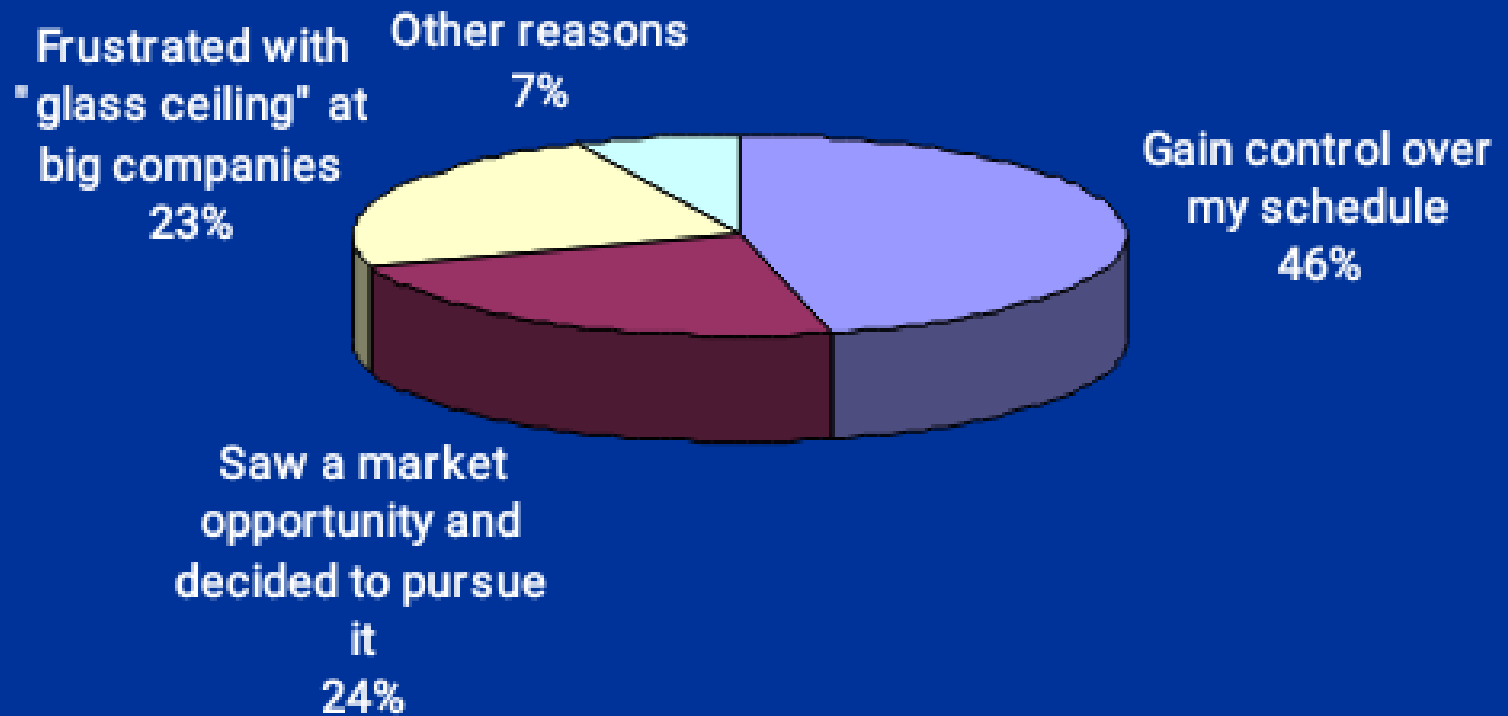
The Cultural Diversity of Entrepreneurship

- Young entrepreneurs
- Women entrepreneurs

Chapter 1: Entrepreneurship



Why Women Start Businesses



The Cultural Diversity of Entrepreneurship

- Young entrepreneurs
- Women entrepreneurs
- Minority-owned enterprises
- Immigrant entrepreneurs
- Part-time entrepreneurs

Chapter 1: Entrepreneurship



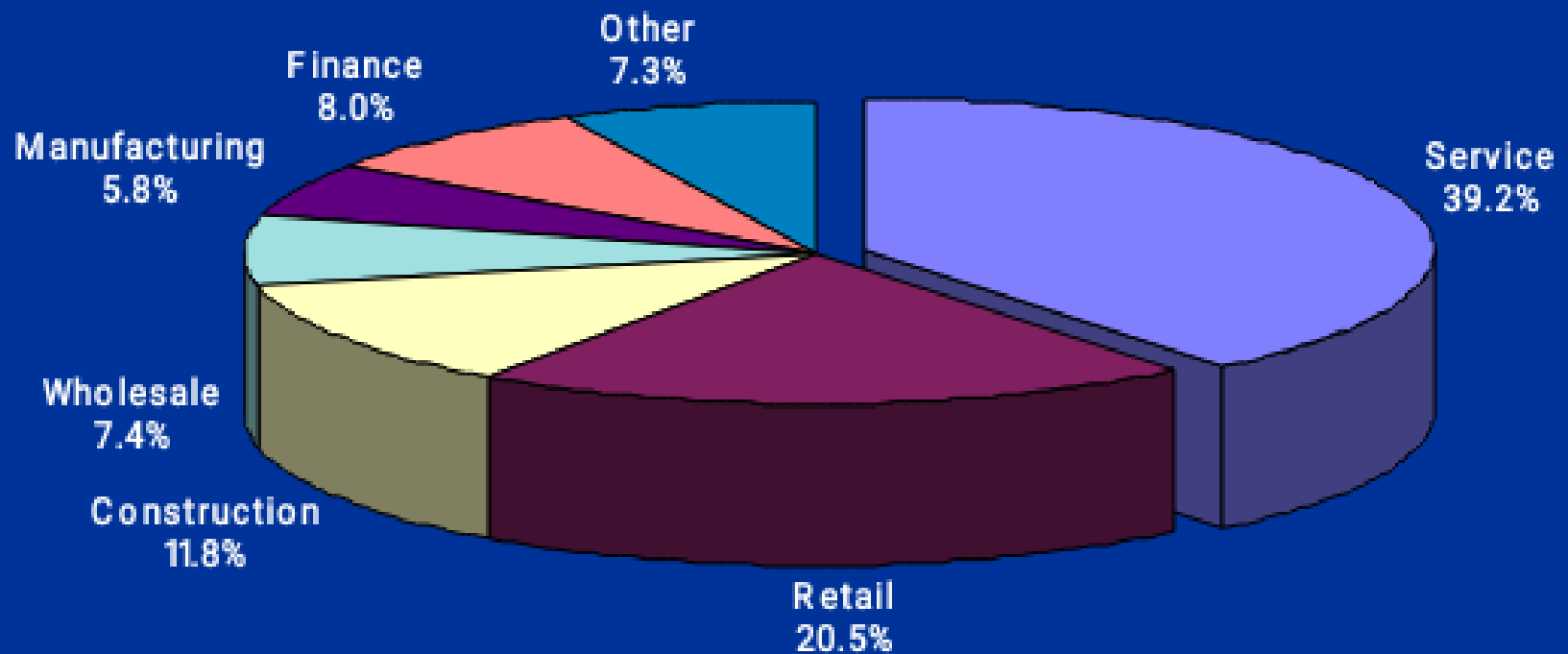
The Cultural Diversity of Entrepreneurship

- Home-based businesses
- Family businesses
- Copreneurs
- Corporate castoffs
- Corporate dropouts

Chapter 1: Entrepreneurship



Small Business by Industry



Small Businesses...

- Make up 99.7 percent of all businesses in the U.S.
- Employ 51 percent of the nation's private sector workforce.
- Create more jobs than big businesses.
- Are leaders in offering training and advancement opportunities to workers.

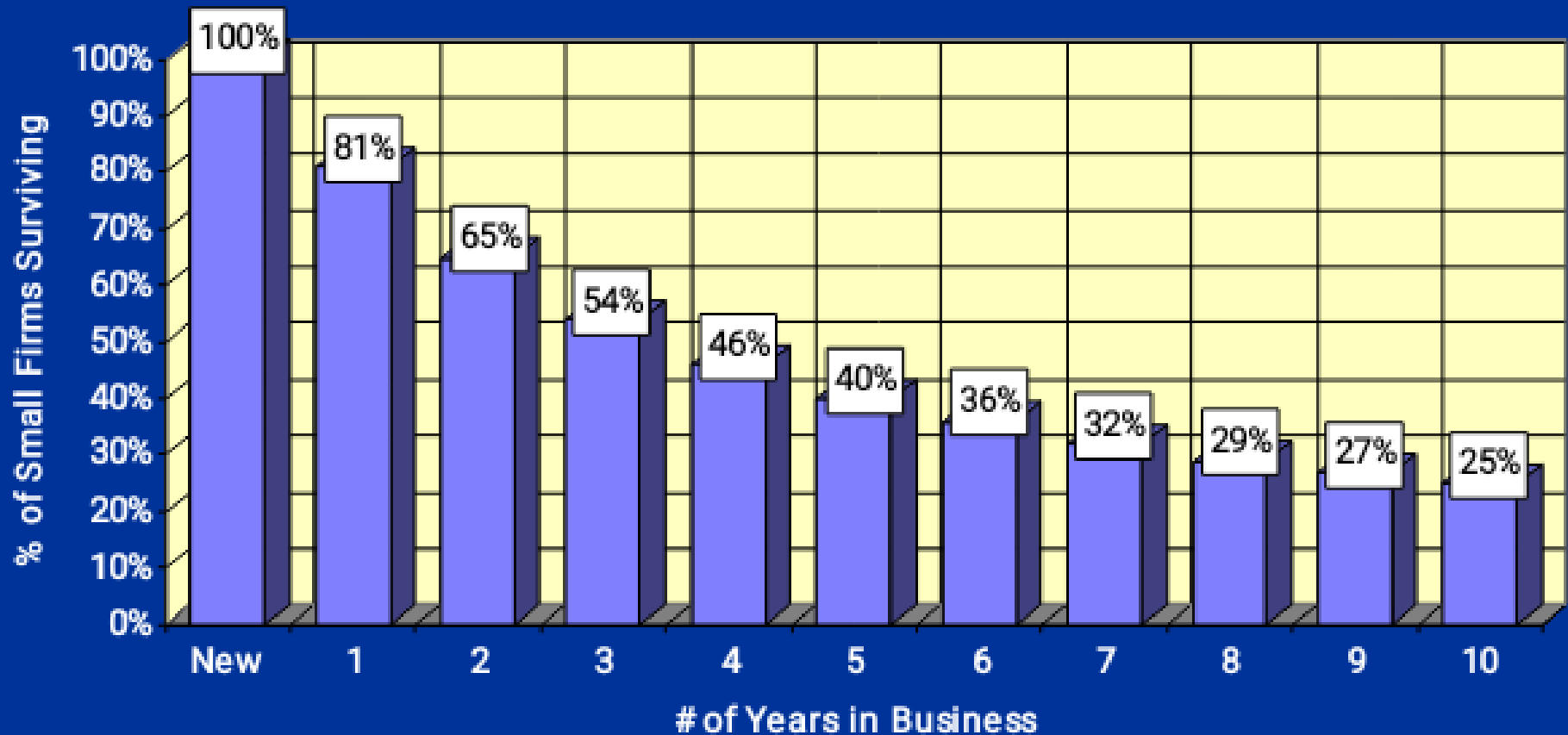


Small Businesses...

- Produce 51 percent of the nation's private GDP.
- Account for 47 percent of business sales.
- Create 13X more innovations per employee than large companies.
 - Zipper, FM radio, laser, air conditioning, escalator, light bulb, personal computer, automatic transmission, and many more!



Small Business Survival Rate



Ten Deadly Mistakes of Entrepreneurship

1. Management mistakes
2. Lack of experience
3. Poor financial control
4. Weak marketing efforts
5. Failure to develop a strategic plan

Ten Deadly Mistakes of Entrepreneurship

- 6. Uncontrolled growth
- 7. Poor location
- 8. Improper inventory control
- 9. Incorrect pricing
- 10. Inability to make the “entrepreneurial transition”

Putting Failure into Perspective

- Entrepreneurs are *not* paralyzed by the prospect of failure.
- Failure – a natural part of the creative process.
- Successful entrepreneurs learn to fail *intelligently*.

Avoiding the Pitfalls of Small Business Failure

- Know your business in depth
- Develop a solid business plan
- Manage financial resources
- Understand financial statements
- Learn to manage people effectively
- Keep in tune with yourself

