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### **Does college matter for entrepreneurial success?**

If given a second chance to pick one's career path all over again, would anyone do it? I often wonder what it takes to run my own business and how much effort truly goes into the whole operation. One can think about Bill Gates, Steve Jobs, and Mark Zuckerberg and think they got lucky with their dreams. There is also just a possibility that they went through hard work and perseverance to be billionaires. Whether one chooses to go to college or not, it's going to be hard work, and they're most likely going to fail a couple of times. One could succeed with or without college, but ultimately nothing will compare to real-life experiences.

### **Why does it matter?**

Many debate if college actually matters, which is a valid argument. It takes up one's time, money, and life, so the costs must be counted. The Bureau of Labor Statistics has shown that 20% of small businesses fail in their first year, and about 50% fail in their fifth year. With so much failure going into a business, does one want to add thousands of college debt along with it? On the other hand, college can be a beneficial tool that provides connections, tools, and teaches skills. If one does not know how business works or plan managing complex processes, it may be best to choose college before starting their own business. There are many steps in the journey towards starting a business. It's good to understand and be aware of the advantages and disadvantages that come with starting a business.

## **What does being an entrepreneur mean?**

According to Investopedia, an entrepreneur is "an individual who creates a new business, bearing the most risks and enjoying the rewards. Investopedia states that the entrepreneur is commonly seen as a pioneer for new methods and tools. The keyword is business. One is an entrepreneur when they have a running business. A formula, found through research, that makes one an entrepreneur is as follows: entrepreneur + capital = products + customers = business. The end goal is for someone to be the CEO of their own company. The CEO is the job title, not an entrepreneur. No one wants to stay "bearing the most risks" for the rest of their lives; they want to enjoy the rewards. If there is no real expertise, product, business, risk, or prospect for return on investment, one is not working.

## **The stigma of getting a degree**

Before millennials, the stigma of going to college equaled one as being wealthy and well-educated. Times have changed, though, and that is no longer the only route to take to become successful; however, so many high school students still deal with the pressure of thinking that is the only way to go. Sometimes students are forced to go to college when they have no idea what they want to study or even have no desire to be in school. As a result, they are collect debt while wasting their time. The dropout rate for undergraduate college students is 40%. The 60% of students that stay don't end up graduating within four years; it takes them approximately six years. On top of graduating later than estimated, 44% of undergraduates don't know what they want to do with their degree or career. The statistics don't look secure when entering college, so maybe that's why the new generation is changing the stigma.

### **Tables turning with a new generation**

As mentioned before, millennials and Generation Z are changing societal norms. According to National Student Clearinghouse, data shows that college enrollments decreased by 1.3% in the fall of 2019. That is the eighth year in a row where enrollment rates have declined. According to the Hill, "this marks the first time in a decade in which fall enrollment dropped below 18 million." Some of the reasons for the decrease in enrollments are the economy and tuition costs. A strong economy like the United State's today means more students are likely to take time off or postpone college in favor of working full-time. College tuition plays a role in students' attendance because states are giving less money to students, and most college students are paying for their education. With zero money going to a student that has to pay out of pocket and doesn't want to go into debt, the best option appears to be not going to college at all.

### **We decide not to go to college; what's next?**

After one has decided college isn't going to get them where they want to be, they may wonder how to succeed without any resources. With anything, one must research and plan their next moves. There are deep questions that go into becoming successful without a college degree; for example, simply making sure one is financially stable before venturing into starting a business is important. Is there a support system? How passionate is one about their idea? What skills does one possess in their industry? What knowledge does one know about their industry? These are question to think about before starting one's own business.

### **Do you have the spirit and skills needed to succeed?**

Although confidence in one's passion may be convincing in the success of a business, when starting a business, much failure comes. Therefore, when asked if one has an entrepreneurial spirit, it isn't about being optimistic all the time or just having passion. There is

more to it than those qualities. One must possess patience in waiting to achieve their goals. One has to think of the reality of failure and rejection and if they would still persevere through that. Along with these traits, one must have specific skills in order to start their own business. Real-world experiences can help one gain those specific skills. If one decides not to go to college and have no experience in the business world, it's advised to seek out understanding before starting their own venture. When one is clueless on how the business world works, it's well to gain knowledge by choosing a position that allows one to work closely on what they want in the future. Another way to understand the industry one desires to be in is by volunteering with someone in the field before starting; for example, this can be done through an internship or apprenticeship.

These options allow one to assess what skills they already possess or if they need to educate themselves further before establishing a business. Randy Wyner, founder and president of the restaurant franchise Chronic Tacos had no choice when it came to college. He had the responsibility to provide for his young son, which meant instead of going to college, he had to go straight into work. He worked his way up to a managerial position at Jiffy Lube in a few years, and Wyner gained the experience and drive he needed to start his own business. Wyner shared that hands-on learning helped him to understand how to manage a business quicker, whereas college students learn mostly by memorization techniques and tricks.

“Following this path helped me grasp what to do and what not to do when running a business,” Wyner said. “Although college may educate you on business elements, you can't learn how to run a business until you become an entrepreneur.”

Wyner's statement is true that one will never know until they try, but one may learn through experience and that one doesn't have to start at the top to learn.

### **Are you financially stable enough and have a robust support system?**

Just like going to college is an investment and costs money, so does starting a business. One will need to calculate their expenses, create a budget, and plan their timeline before dedicating their life to this venture. "Before you pursue a new business opportunity, map out the total investment – purchase costs, opening inventory, and how much working capital you will need before you break even," said Wyner. These are expensive things to think about before pouring money out from one's pocket. Usually, people want to go to school, and they pursue a business on the side while earning money from a regular job.

Even if one doesn't want a co-founder in their business or want to start a business by themselves, it's never wise to do it without anyone supporting you. It is essential to rely on friends, family, business partners, franchisors, or other entrepreneurs for support. Wynder acknowledged that his entrepreneurial success couldn't have happened without the help of his family and friends. Wyner says, "I was fortunate to have some strong mentors in my corner. Having experienced, wise people there to guide and support you is critical." Since you won't be going to college to network and gain a community from that, networking from one's own environment is very important. People won't be handed people to network with; one will have to put themselves out there and ask for help when needed. It is also essential to connect with people who are striving for the same success as them in owning their own business; they can relate to the success of the journey and struggles. As there are many rejections and struggles in starting one's own business, it is good to think about partnering up with someone to help lean on and have someone just as passionate as one is about the same thing. Even Mark Zuckerberg had his friends: Dustin Moskovitz, Chris Hughes, and Eduardo that created Facebook. There are many benefits to

starting one's own business without a degree that were mentioned but there are also benefits to getting one's degree before.

### **Benefits of getting a degree before starting your own business**

The most obvious benefit in getting one's degree before starting their own business is getting inspiration through classes. Usually when one enters college you don't always have a solid plan on what exactly you want to do. When one doesn't feel confident or passionate about an idea to pursue into the business world then it is probably best to wait and see if school can help one gain confidence. As well as, when one is clueless on how to start their own business and doesn't desire to start at the bottom, working their way up to understand the complexity of the ins and outs of running a business is the start. If that is someone's case, then it's advised to gain understanding and confidence through college because they provide courses that guides one through the complexity of it.

### **The community/support system**

This is an obvious benefit when it comes to going to college because in college one is constantly surrounded by people. The support system one will be able to create through professors, classes, clubs, and classmates. When one is trying to start their own business and has no one in their corner to lean on for guidance or help, then they are guaranteed failure majority of the time. A lot of the business world is networking and about who one knows. One person someone knows can either make or break their success. School counselors are meant to help students with helping them network within their field and gain experience through internships. As stated before, a community and support system are extremely important in order to have success within a business.

## **Opportunities through college**

When one doesn't want to start at the absolute bottom and work their way up from there college gives them the opportunity to open doors in higher positions. College may open doors by allowing one to have an upper hand rather than having to start at the bottom. Classes allow one to learn certain aspects of the business world that would not be learned elsewhere. A couple of the aspects one learns in college rather than failing at it in the real world is public speaking, learning how to sell one's self, understanding budgets, critical thinking, and expanding on one's ideas without harsh consequences. As well as one of the biggest benefits for going to college is being able to branch out what direction specifically someone wants to do within the business world. One may want to start a business while they're young and soon realize after starting the process that they just wanted to go to sales. College allows one to make mistakes and explore different paths without wasting money in investing in a business.

The lessons one learns through college are valuable within a business. For example, understanding how to make an idea profitable, rejection, understanding one's audience, and learning to be flexible within the market are all solid lessons taught. Rather than going on one's own to learn these complex things, college provides it right at one's feet. Either way if one goes to college or not there are specifics step into running one's own business and it is previously mentioned; however, there are specific steps to be aware of. College would be able to explain these steps and one may gain understanding. If one chooses not to go to college, then experiences before starting their business would help them to understand these steps. There will always be a fear of the unknown before starting. Many question the success of their business. The only way to answer that is through taking the risk.

## **Steps in starting your own business**

### **1. Create and refine your idea**

If one is thinking about starting a business, then they probably already have an idea of what exactly you want to start selling. It is wise to look up whether one's idea is already on the market and what current company leaders are doing with similar ideas. It is good to compare and contrast to see what works and what doesn't work. If one believes their idea can deliver better than other companies, for example, being able to deliver faster or quicker, then they have got a solid idea. It is also wise to see what problem can be solved within the industry one is trying to go into because that can be part of one's "why" for starting the business. Glenn Gutek, CEO of Awake Consulting and Coaching said, "it is good to know why you are launching your business. In the process, it may be wise to differentiate [whether] the business serves a personal why or a marketplace why. When your why is focused on meeting a need in the marketplace, the scope of your business will always be larger than a business that is designed to serve a personal need."

After one determines their idea and why it is good to think of a name for their business name. It is good to make sure the name isn't taken and when it isn't, one must go through the process of making sure it is patented so no one else can take it. Once that is taken care of, the next step within one's idea is who are the target customers. Stephanie Desaulniers, owner of Business by DeZign and former director of operations and women's business programs at Covation Center, speaks about the importance of target customers. "You need to clarify why you want to work with these customers – do you have a passion for making people's lives easier," Desaulnier said. "Or enjoy creating art to bring color to their world? Identifying these answers helps clarify your mission. Third, you want to define how you will provide this value to your



customers and how to communicate that value in a way that they are willing to pay.” These are great things to consider when thinking about who one’s customers are.

## 2. Write a business plan

A lot of mistakes happen when one jumps into starting a business but doesn’t have a solid plan. There’s a lot of questions that must be considered and answered before deciding to go all in on a business. For example, who is the business selling to? What are the end goals? How will one finance their startup costs? Who is going to buy their product or service? These are questions that are answered in a well written business plan. To get some of the answers to these questions it’s advised to conduct research within the market field and demographics of potential customers. That means conducting holding focus groups, surveys, and researching SEO and public data. Research helps one to understand their target customer, their preferences, needs, and behavior. It also helps understand the industry one is looking to start in as well as their competitors. It has been shown that the best small businesses thrive when they are unique compared to their competitors. One is able to provide an edge to their business once they know the opportunities and limitations within their market.

## 3. Assess your finances

After discussing one;s business plan, it’s good to decide how much it all will cost. Do you have the funds to start your own business or will you have to borrow money? It’s good to understand the startup cost and how much it will all be, because this can be a reason for failure. It is not uncommon for startup companies to fail because they have run out of money or have no idea when they will begin to bring in revenue. A formula that can help one to determine how much their business must achieve to avoid losing money is:  $\text{fixed costa divided by (average price}$

minus variable costs) equals break-even point. There are three reasons why you should conduct a break-even analysis:

- Determine profitability
- Price a product or service. One will need to see how they are going to price their product or service in order to see if it is feasible to create revenue.
- Analyze the data. Consider what volumes of goods or services do you need to sell to be profitable?

With all of this in mind, it's safe to say just watch the business's expenses. One doesn't want to overspend when starting out on unnecessary expenses. When one doesn't have enough funding by themselves it's good to consider their funding options:

- Business loans: Usually one can get a loan through a bank. If one is unable to get a business loan through the bank they may be eligible to receive a loan through U.S. Small Business Administration or an alternative lender.
- Business grants: When an amount of money is given by a foundation, government, or other to help the business grow, that is a business grant. Grants are convenient because they don't need to be paid back like loans do and owners do not have to exchange anything.
- Angel investor: An individual or group that invests in startup companies in exchange for an equity ownership interest is an angel investor. One will need to pitch their company once they have found someone or a group. This is similar to the popular television show, Shark Tank.
- Crowdfunding: This is when the funds for a business is from a "crowd" rather than one or two major investors. There are different types crowdfunding: debt, rewards, donations, and equity. One will need to attract a lot of backer to invest in your business.

Lastly, is making sure one chooses the right bank geared towards their business. One wants to make sure the bank they choose shares the same achievement as them. Usually smaller banks want to be more involved with someone rather than bigger banks. It's important to ask these questions to the self: What is important to you? Do you want a close relationship with the bank of your choice? At the end of the day, it's up to the entrepreneur on what their needs are and seeing which bank provides most of their needs.

#### 4. Determine your legal business structure

There are different types of entity when it comes a company, and one must determine what type of business structure their business will be so that they can file correctly. There are four types:

- Sole proprietorship: This means when the whole business will be up to the individual and only them; all of the responsibility with debt is on the individual.
- Partnership: Partnerships happen when two or more people are responsible for anything in terms of the business. They both are the owners and held responsible.
- Corporation: This means one wants to keep their personal liability separate from their personal liability. If choosing this, there are several types of corporations (S corporation, C corporation, or B Corporation). Each corporation has different guidelines but generally each makes the business separate from the owner.
- Limited liability company: This example is the most common for small businesses. This is a hybrid structure where there are legal protections of a corporation while also having the benefit of getting the tax paybacks of a partnership.

One should research deeper on each of these options so that they can determine which one would be best for them and their business. One doesn't want to make an uninformed decision and be in

a bad position because of it; therefore, if one needs more help on understanding the business structure it's best to seek legal advice.

## 5. Register with the government and IRS

After getting squared away with determining one's legal business structure, one must register the business with federal, state, and local governments. There are many business licenses one must get before starting your business. The best place to get a business license is at their local city hall. One may research which type of business license they specially need based on their business. Permits and licenses vary from state by state, but some examples of different permits are: resale permit, permit license, resell permit, reseller permit, resale ID, state tax ID number, reseller number, reseller license permit, or certificate of authority. There are documents called "articles of incorporation" which includes one's business name, business purpose, stock details, corporate structure and other information about their business. If one doesn't have this document, then they will need to register their business name or their legal name; this is called DBA name. Most states require a DBA if someone is operating under a fictitious name. After one registers their business, they'll need an employer identification number from the IRS. This is needed in the long run if one hires an employee or if one wants to keep their personal and business taxes separate. Income tax forms is something one will need to think about as well. The forms one will need will be determined by their business structure. They will need to check their state's website on what specific tax forms they will need. Natalie Pierre-Louis, a licensed attorney and owner of NPL Consulting, said "you might be tempted to wing it with a PayPal account and social media platform, but if you start with a proper foundation, your business will have fewer hiccups to worry about in the long run." Though lengthy, like Pierre-Louis mentioned, one will have less hiccups if they do all of this before going headfirst.

## 6. Purchase an insurance policy

As one is checking off their list of what needs to get done in order to start up their business, it is imperative to not forget the insurance. It is important to get this done because as one's business grows, incidents may occur. For example, property damage, theft, or a customer lawsuit. One will want to have protection as their business grows and make sure they have back up, which is important. There are several options when it comes to insurance so make sure to research and understand which one is best. There are basics when it comes to small businesses, like if one has employees, compensation, and unemployment insurance. There are other types of coverage that one will need to know, but that depends on location and the type of industry one chooses to go into. There is a general liability insurance that covers the general things like property damage, bodily injury, and personal injury or a third party. Make sure to get advice if unsure about which one to get. If an incident occurs and one doesn't have insurance, all that one has worked for could be gone.

## 7. Build your team

It is okay to have a community to support you and be on this journey with you. Unless one really wants to be the only owner/employee, it's good to write the needs one wants for their business and qualifiers. It is most likely going to be easier if one teams up with people rather than solely being responsible for everything independently. As well as, when one's business grows it's good to understand what one is looking for, as one will most likely need more employees when the business grows.

## 8. Choose your vendors

It has been obvious how much goes into starting a business and that can be overwhelming. A third-party vendor may help one run your business better. This is like a

business partner. It's good to choose carefully because they will have access to one's company data, and one doesn't want a random person they don't trust to have that type of information. It's recommended to ask these vendors their experience in the industry one chooses to go into, their record with past clients, and how they have helped their clients achieve their goals.

#### 9. Brand yourself and advertise

How will you let people know about your business? One will need to advertise their product or service in order to gain customers. There are many options on how one can advertise such as a company website, social media, email campaign, or a logo. These are the most modern ways to advertise yourself or a business. When advertising, it's wise to remember that the purpose is not advertising the "what" but the "why." The purpose of one's business is the meaning and the soul of its creation, so advertising must be able to show consumers that. It's been shown that consumers gravitate toward a meaningful advertisement rather than a "better" product. That can be seen with the company Apple, as their brand is; "Life is easier on iPhone." Even though most all know an Android phone works just as well or better than an iPhone; however, there is a reason why Apple has made history with their net sales being 260.17 billion U.S. dollars in the year 2019. To start off strong, it's advised to make a marketing plan, in order to be organized and have plan that creates growth.

#### 10. Grow your business

After going through everything one needs to know when starting their own business, the most important step is to continue to grow in order to stay successful. One will need to continue to grow in order to continue to make a profit. It is always advised to have a community and to collaborate with others who are doing the same thing as you, so that one may compare and contrast business strategies. Starting a business will take a lot of time and effort, but the

gratification is worth it. One should be prepared to adjust as they work through their plans to open a business, because no matter how perfect a plan is, bumps occur! Stephanie Murray, founder of Fiddlestix Party + Supply, said “as an entrepreneur, your value lies in solving problems, whether that is your product or service solving problems for other people or you are solving problems within your organization.”

### **Do you need to go to college in order to start your own business?**

After much research, it is clear one doesn't need a degree in order to be successful within starting a business. There are many success stories in terms of opening a business and never going to college, but there are also many failures within the success. Personally, no matter what one chooses to do, they will always have life lessons that must be learned. It's one's own personal preference if they like school or not; school is not for everyone. In today's society, it has been made clear that there are other routes rather than going to school and someone can still be successful! If one values going to school and would rather be taught everything than learning it on their own, then school seems like the best option. Opening a business will take a lot of time, effort, and work, so it's best to be prepared no matter what path one chooses. Ultimately, the person themselves is the only one that can tell which path is the best option. Confidence is the key to entrepreneurship and success in life, even if you are doing it completely wrong.

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