

Moneythink Lesson: Entrepreneurship

What is an entrepreneur?

An entrepreneur is someone who designs and runs a business.

Starting your own business is high risk and high reward. What are some of these risks?

Financial risk: It is likely that you will have to invest your own money in your venture. It is likely that you will have little to no salary for the first several months or even years of your business.

Reputational risk: 90% of start-ups fail. Many entrepreneurs failed to launch at least one business before they eventually found success.

Social risk: You will be working very hard and putting in incredibly long hours to make your business successful. As a result, you will have to give up time you could otherwise spend with friends or family.

If there are so many risks associated with entrepreneurship, why do people still go into it? High reward!

Higher wealth: Most of the wealthiest individuals in the world are entrepreneurs.

You call the shots: As an entrepreneur, you are your own boss. You will be a manager, a boss, and a leader, all of which come with immense responsibility.

You chase your passion: Being an entrepreneur allows you to do what you want from the very beginning. If there is a problem you see in the world that you want to fix, or if you just have a great idea, being an entrepreneur allows you to make these things happen.

If you started your own business, what would it be?

- What product would you make? Or what service would you provide?
- Who would be your target customers?
- Who would be your competitors? Why is your product better than that of your competitors?
- How would you price your product/service?