

PROFILE OF THE ENTREPRENEUR

Professor Laura Huang



The word on the street about entrepreneurs...

“a business leader”
- Investopedia¹

“make [a concept]
viable”...
- BN Daily²

“organizes and
manages a business
undertaking” - US SBA¹

“run their own
companies” –
popular press¹

1) <http://www.inc.com/justin-bariso/so-what-is-an-entrepreneur-anyway.html>,

2) <http://www.businessnewsdaily.com/2642-entrepreneurship.html>

Given the vast number of opinions...



Ian Ippolito entrepreneur magazine plaque.png via Wikimedia Commons

- Who, really, is the entrepreneur?
- Is there a clear profile?
- Can we predict who will be successful?

Is there an “Entrepreneurial Mindset”¹?

Are some people more adept or predisposed to entrepreneurship (e.g. because of personality)?

- *Fundamental Attribution Error* : assuming behaviors are caused by someone's disposition even when circumstances are the real explanation
 - **Example:** assuming driver of speeding car is irresponsible rather than assuming there is an emergency
 - This type of **error is powerful in western cultures** (e.g. like USA) - values are individualistic and the explanation fits into our world view about fairness, such as good people get rewarded
 - We **think of famous people** (e.g. Bill Gates) rather than the local guy starting a coffee bar
 - **We admire attributes that came as a result of the success**, such as their charity work, and not the factors that made them entrepreneurs in the first place

1) article in the WSJ “The Entrepreneurial Mindset” (by Peter Capelli and Laura Huang)

What we know from research...



Image via Wikimedia Commons

- Social Capital, Cognition, and Entrepreneurial Opportunities
 - Optimism
 - Overconfidence

- 1) *Forbes*, 2005, *Are some entrepreneurs more overconfident than others?*
- 2) Koellinger, Minniti, & Schade, 2007, "I think I can, I think I can": Overconfidence and entrepreneurial behavior
- 3) Keh, Foo, & Lim, 2002, *Opportunity evaluation under risky conditions: The cognitive processes of entrepreneurs*

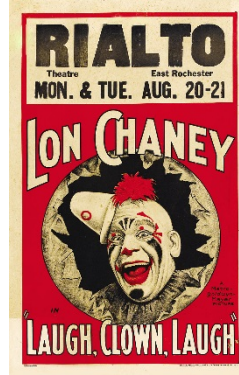
Other 'mixed' findings...

Findings related to other traits are still mixed...

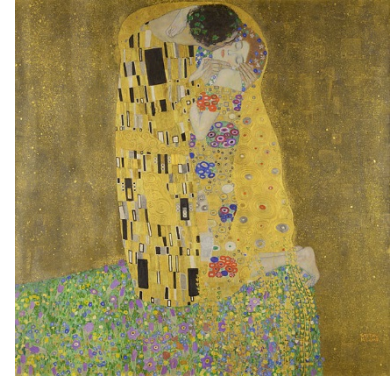
1 Risk



2 Personality



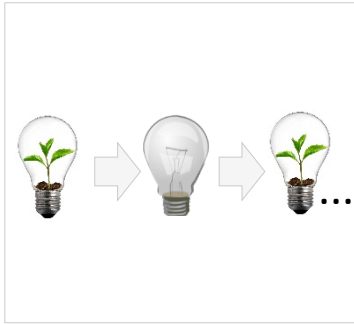
3 Passion



Types of entrepreneurs

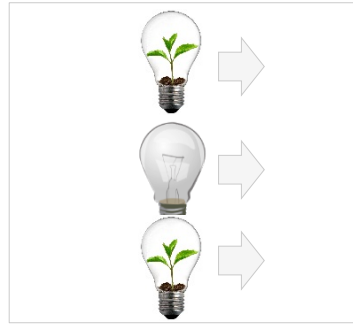
We usually find three main types of entrepreneurs

1 Serial entrepreneurs



- Someone who focuses on starting multiple businesses, one after the other

2 Parallel entrepreneurs



- Someone who focuses on starting multiple businesses, at the same time (doesn't mean they all are successful)

3 Non-traditional entrepreneurs



- Someone creating a job for themselves in a variety of idiosyncratic ways by establishing businesses

Another definition of the “entrepreneur”

Regardless of what is said...

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We do know that an entrepreneur is...

a person or team of people that...

- 1) discover opportunities**
- 2) assemble** resources (people, funding, tech, etc.) in order to..
- 3) exploit** the opportunities and **create wealth**

Summary: The Opportunity



Key points:

- The entrepreneur may have some general social and cognitive tendencies, though can exhibit multiple 'profiles' and 'personality types'
- At the most fundamental level, entrepreneurs assemble resources to exploit opportunities to create value





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