


# Entrepreneurial Behavior

# Objectives

- Understand how *entrepreneurial behavior* results from the entrepreneurial mindset and motivation
  - Confidence
  - Interpersonal relationship skills
  - Social capital
  - Risk tolerance

# The Opportunity Analysis Canvas™

<b>ENTREPRENEURIAL MINDSET</b> Achievement Individualism Control Focus Optimism		<b>ENTREPRENEURIAL MOTIVATION</b> Self-efficacy Cognitive motivation Tolerance for ambiguity		<b>ENTREPRENEURIAL BEHAVIORS</b> <b>Confidence</b> <b>Interpersonal relationship skills</b> <b>Social capital</b> <b>Risk tolerance</b>	
<b>MACROECONOMIC CHANGES</b>	<b>INDUSTRY CONDITIONS</b>		<b>COMPETITION</b>		<b>OPPORTUNITY IDENTIFICATION</b>
	<b>INDUSTRY STATUS</b>		<b>VALUE CURVE</b>		

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# Confidence

- Important for entrepreneurs to believe in themselves and their abilities
  - Balanced by the reality of the tasks at hand
- May require going against the norm
  - Popular opinion
  - Advice of friends and family
- Self doubt can result in doubts from your team, partners, investors, customers, etc.

## Interpersonal relationship skills

- Driven by your likeability and communication skills
- Influences your ability to connect with individuals...
  - and to connect with their connections
- May be a natural skill for you...
  - or require a level effort ...
  - and/or personal study and development

## Social capital

- Refers to the resources available in and through personal and professional networks
  - Who you know, and who they know
- Richness depends on the size, quality, and diversity of your networks

## Why build social capital?

- People with rich social capital are:
  - Better informed
  - More creative
  - More efficient
  - Better problem solvers
- With the right networks, people:
  - Save time because they know where to get the information they need
  - Foster cooperation and collaboration

## Risk tolerance

- Addresses your willingness to accept risk
  - Which is different than a *desire* for risk
- Entrepreneurs are no more likely to take risks than non-entrepreneurs
  - But entrepreneurs do *perceive* risk differently
  - Risk is in the eye of the beholder
- Consider the risk-reward balance, and your potential to return to the status quo



## Summary

By understanding the components of the *entrepreneurial behavior*, you can assess and enhance your own.

- How high are the risks?
- What are the rewards?
- What are the consequences?
- Were all elements of the decision considered?

For next time, review chapter 4 of  
“The Opportunity Analysis Canvas”