Who’s an Entrepreneur?

Zacharakis
Entrepreneurship
“[Entrepreneurship] is more of an 'art form' than a lot of people give it credit for...I think that you are a business producer...Just as Steven Speilberg creates movies, I think that entrepreneurs create businesses... it is just a different canvas.”

Tim DeMello '81
Streamline.com
Common Themes

Visionary
Diligent
Communicator
Creative
Committed
Energetic
Passionate
Role Model
Risk Taker
Leader
Independent
Are you an Entrepreneur?

Locus of Control

- Internal – you believe you control your destiny
- External – destiny is a function of fate

Do entrepreneur’s have internal or external locus of control?
Tolerance of Ambiguity

- Novelty – new experiences
- Complexity – understanding the interaction of parts
- Insolubility – overcoming factors that can’t be explained
KAI Distribution

32  Avg 96  145  160

Adaptive  Innovative
<table>
<thead>
<tr>
<th></th>
<th>Adaptors</th>
<th>Innovators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek “better” solutions</td>
<td>Seek “different” solutions</td>
<td></td>
</tr>
<tr>
<td>Characterized by precision,</td>
<td>Seen as undisciplined, thinking,</td>
<td></td>
</tr>
<tr>
<td>reliability, discipline,</td>
<td>imaginatively approaching tasks.</td>
<td></td>
</tr>
<tr>
<td>conformity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seen as sound, safe,</td>
<td>Seen as unsound, impractical,</td>
<td></td>
</tr>
<tr>
<td>dependable</td>
<td>often shocks the adaptor</td>
<td></td>
</tr>
<tr>
<td>Detailed work oriented (long</td>
<td>Can only handle detail work for short time</td>
<td></td>
</tr>
<tr>
<td>haul)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likes structure</td>
<td>Comfortable with lack of structure</td>
<td></td>
</tr>
<tr>
<td>Rarely challenges rules</td>
<td>Often challenges rules with little respect for custom</td>
<td></td>
</tr>
</tbody>
</table>
**KAI: Adaptors vs. Innovators**  
*(when collaborating)*

<table>
<thead>
<tr>
<th>What adaptors bring</th>
<th>What innovators bring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplies stability, order, &amp; continuity to group</td>
<td>Supplies the motivation to break with the past &amp; accepted routines</td>
</tr>
<tr>
<td>Is sensitive to people, maintains group cohesion and cooperation</td>
<td>Appears insensitive to people – often threatens group cohesion</td>
</tr>
<tr>
<td>Provides a safe base for the innovator’s riskier operations</td>
<td>Provides the dynamics to bring about periodic radical change</td>
</tr>
</tbody>
</table>
Some Truths

- Success in business (corporate or entrepreneurial) requires traits identified earlier.
- Your traits evolve over time.
- Ambiguity is pronounced for entrepreneurs.
- As you age, tolerance for ambiguity increases and then declines.
- Optimal Age to start a business is mid-thirties.
Age of Starting a New Business

- Experience vs. Age
- Energy vs. Likelihood of Success
- The optimal age for starting a new business is around 34 years old.
Six Themes - Desirable and Acquirable Attitudes (Timmons)

Commitment and Determination
- Tenacity and decisiveness, able to decommit/commit quickly; discipline, persistence in solving problems; willingness to undertake personal sacrifice; total immersion

Leadership
- Self starter; high standards but not perfectionist, team builder and hero maker; inspires others; treat others as you want to be treated; share the wealth with the people who helped to create it; integrity and reliability; builder of trust; practices fairness; not a lone wolf; superior learner and teacher; patience and urgency
Six Themes (con’t)

- **Opportunity Obsession**
  - Having intimate knowledge of customers’ needs; market drive; obsessed with value creation and enhancement

- **Tolerance of Risk, Ambiguity, and Uncertainty**
  - Calculated risk taker; risk minimizer, risk sharer; manages paradoxes and contradictions; tolerance of uncertainty and lack of structure; tolerance of stress and conflict; ability to resolve problems and integrate solutions
Six Themes (con’t)

- Creativity, Self-reliance, and Ability to Adapt
  - Non-conventional, open-minded, lateral thinker, restlessness with status quo, ability to adapt and change, creative problem solver, ability to learn quickly, lack of fear of failure, ability to conceptualize and “sweat details” (helicopter mind)

- Motivation to Excel
  - Goal-and-results orientation, high but realistic goals, drive to achieve and grow, low need for status and power, interpersonally supporting (versus competitive), aware of weaknesses and strengths, having perspective and sense of humor
Entrepreneur Questions

Are my goals well defined?
- Personal Aspirations
- Business Sustainability and Size
- Tolerance for risk

Do I have the right strategy?
- Clear Definition
- Profitability and growth potential
- Durability
- Rate of growth

Can I execute the strategy?
- Resources
- Organizational Infrastructure
- Founder’s role

From Bhide, 1996
Personal Goals

Are my goals well defined?

Personal Aspirations
Business Sustainability and Size
Tolerance for risk

Motivation
Opportunity
Necessity
Lifestyle
HPV
Quick Exit
Sustainable Organization
Strategy

- Porter’s Generic Strategies
  - Low Cost
  - Differentiation
  - Niche

- Growth potential
  - Timmon’s Model
  - Barriers to entry
  - Competition

- Exit Strategy
  - When and If

Do I have the right strategy?

- Clear Definition
- Profitability and growth potential
- Durability
- Rate of growth
Execution

- Timmon’s Model
  - Team
  - Resources
- Building leadership skills
  - From doing to teaching

Can I execute the strategy?

Resources
Organizational Infrastructure
Founder’s role
Entrepreneurial Revolution

- More people
- Greater impact
- Understanding skill set
- Asking and answering the right questions