The Entrepreneur Essay, Research Paper

“Many successful entrepreneurs have emphasised that while successful entrepreneurs have initiative and take charge, are determined and persevere, and are resilient to adapt, it is not just a matter of their personalities, it is what they do.”

Jeffry A. Timmons – New Venture Creation. The entrepreneurial mindset can be described as desirable and acquirable attitudes and behaviours for entrepreneurs. By breaking down the six main themes of the mindset we can see why a good entrepreneur must possess these skills in order to succeed.

Commitment and determination are traits that drive an individual towards their goal. Without these skills, an individual cannot immerse themselves fully in their new venture. An entrepreneur has to be willing to undertake great personal sacrifice as a good deal of their own time and money is required to get a new venture off the ground and keep it flying once its up there. When faced with a problem, an entrepreneur must have the self-discipline not to be daunted by the prospect of the problem but to overcome it through persistence and perseverance. To do this, entrepreneurs require to be familiar with their own strengths and weaknesses and to know if the problem they are facing deserves their constant bombardment when searching for a solution. It is said, “an entrepreneur will give up sooner than others if they believe a problem to be unsolvable.” (Timmons pg. 220). It is this tenacity and decisiveness that will lead to an individual becoming a successful entrepreneur. Without commitment and determination, an individual would not be able to handle the pressures that go hand in and with starting a new venture and surviving the first tentative years.

It is extremely important for an entrepreneur to be a good leader, especially one who is the lead entrepreneur in a team. As it is the entrepreneur´s goal that the team must strive to achieve, the entrepreneur should have the ability to motivate and inspire his colleagues. By being a “hero-maker”, the entrepreneur can gain the much-needed loyalty and support required of the people that the venture attracts. The good entrepreneur knows that they cannot go it alone and will need a good team and by sharing the responsibility and the profit gained from the venture with those who have contributed, the entrepreneur shows his colleagues that he needs them as much as they need him. Of all the leadership qualities, it is paramount for the entrepreneur to be able to teach and learn at the same time. This point is well illustrated by the company principals implied by the late Ewing Marion Kaufmann, the entrepreneur who founded Marion, Merrell Dow, Inc, “one of the most extraordinary entrepreneurial success stories of our time” (Timmons pg. 215). These principals state “Managers who attempt to develop a new product and fail are not punished with lateral promotions, nor are they ostracised. Failures are gateways to learning and continual improvement”, (Timmons pg. 216).

“Successful entrepreneurs are obsessed with opportunity” (Timmons pg. 223). It is common belief that an entrepreneur is someone who can see an opportunity and go for it. However, this ability is not hereditary but can be acquired. An entrepreneur can only spot these opportunities when they have an intimate knowledge and understanding of their market and industry which they can only achieve through the afore mentioned commitment and total immersion.

The world of the entrepreneur is a constantly changing one and high levels of risk, ambiguity and uncertainty are all too common. To be a successful entrepreneur an individual must be able to tolerate these factors. Unlike most people´s stereotype of an entrepreneur being a gambler, the good entrepreneur always looks before they leap. They are always willing to take the risk but they will calculate it thoroughly to minimise the chances of the risk going wrong. Due to the ever-changing environment that the entrepreneur has to work in, they also have to be tolerant of uncertainty. “Jobs are undefined and changing continually, customers are new, co-workers are new and setbacks and surprises are inevitable.” (Timmons pg. 223). As a result of this lack of structure, there are constant conflicting factors to face, therefore the successful entrepreneur must call on their abilities to solve problems and integrate solutions in order to keep their eyes on the prize.

The successful entrepreneur is seen as a highly creative and innovative individual who can rely on themselves to think quick and act fast. In order to have this ability, the entrepreneur can have no fear of failure, “they willingly put themselves in situations where they are personally responsible for the success or failure of the operation” (Timmons pg. 224). The high level of innovation can be seen in the example of Bill Gates of Microsoft. Gates dropped out of Harvard in his mid twenties to write operating software for hardware companies. In the late 70´s, he founded Microsoft and with a 600% growth rate in the last ten years, Gates has become the world´s richest man. Gates success is largely due to his personal characteristics of insight and vision and the ability to realise his dreams and aspirations. Gates also possess the ability to use creativity in every decision that is made, for example; recently, Gates changed his title from CEO of Microsoft to Chief Software

Architect and Chairman. It is believed that Gates will still be running the company from behind the scenes. The move comes at a time when Microsoft faces serious difficulties as the government is trying to break the company up. Gates´ decision lends truth to the rumours that Gates has seen the opportunities that the internet offers and has begun work with his development teams to design new hardware devices to allow mobile internet access. By doing this Microsoft will be able to outflank their competitors in the rush to release this new technology.

Entrepreneurs possess a strong desire to attain their goals. This need to achieve sees entrepreneurs setting high but realistic goals in order to focus their energies and be hypercritical when selecting opportunities. However, in doing this, the entrepreneur is not striving for status or power, but is really looking to quench their thirst for achievement. It is the awareness of their personal strengths and weaknesses, and that of their partners, that an entrepreneur must possess in order to be successful. This quality allows the entrepreneur to make important decisions based on the knowledge of what they can and cannot do, stopping them from wasting time and money on problems that are either too easily solved or unsolvable, depending on the individual.

These six main characteristics can be acquired by anyone, however, qualities such as a sense of humour, morals, intelligence and energy are all aspects that are common in entrepreneurs but these qualities cannot be learned. Management skills, however, can. To be an entrepreneurial manager it takes all of these skills, but the entrepreneurial manager has a well-developed capacity to exert influence without formal power. These managers are people movers not dictators. The authors of “Influence without Authority”, Allan R. Cohen and David L. Bradford state that “if you are a manager, you not only need to exercise influence skills with your peers and your own boss, but also to help the people who work for you learn to be effective influencers-even of you-since that will free you to spend more of your time seeking new opportunities and working the organisation above and around you”. (Timmons pg. 224). Successful entrepreneurial managers are people like Bill Gates of Microsoft and Richard Branson of Virgin. Bill Gates has managed to take his company through 25 years of fierce competition and has only recently taken himself out of the leader role to pursue new opportunities. It is said that almost all entrepreneurs will at some point have to take this course of action, usually after two to seven years of start-up or when turnover exceeds around £20 million. This is the most perilous stage and is largely controlled by the lead entrepreneur and their team. It is in this stage that customer confidence and financial results are built up. The next stage is the high growth stage, this usually happens when the lead entrepreneur´s drive becomes exhausted and they are in danger of stifling the companies´ growth and innovation. It is at this point the lead entrepreneur without management skills, should step down from the lead role, without actually giving up leadership of the company, and let managers take over the decision making. Conventional wisdom suggests that entrepreneurs do not make good managers as they lack the skills required and managers do not make good entrepreneurs as they lack the personal characteristics. However, with experience an entrepreneur can learn these management skills and adapt to become successful entrepreneurial managers. By looking at Richard Branson, we can see that an entrepreneur can be a successful manager. Richard Branson has built up an empire of over 200 companies to encompass such variants as record stores, planes, trains and even cola. However, as Branson uses the Virgin brand on all his companies, experts warn that he runs the risk of diluting the brand, something that may be considered as poor business management. Undoubtedly, with a very strong business team behind him, Branson has been able learn the required business management skills to remain at the top of the management leader board and still be an active entrepreneur.

The growing enterprise requires that the founders and their team develop competencies as entrepreneurial leaders and managers. To survive as a manager, an entrepreneur must adapt and learn constantly. The turnover of the company is the single largest factor that increases the complexity and difficulty of managing a young company. It is said, “if the firm grows relatively slowly, and the founder is capable of some adaptation, then the firm can apparently become quite large.” (Timmons pg. 240)

It is therefore apparent that all qualities in the mindset are essential for successful entrepreneurship and weaknesses in even one of these qualities could be fatal. It is thought that these qualities can be learned, in university or through experience. However, business management skills are not entirely essential to the entrepreneur as this task can be delegated to a person or team who have the necessary experience and qualifications.