

# ARE YOU CUT OUT TO BE AN ENTREPRENEUR?

## ANSWERS

### 1. Are you a self-starter?

- a. I generate work for myself and others.
- b. I am adept at solving well-defined problems.
- c. I complete any assignments in an outstanding way and look to my boss for the next one.

**A small business owner must have drive and initiative. He or she has to be the prime mover for getting things done day in and day out. Some people say that this is the single most important characteristic of an entrepreneur. Unfortunately, it's sometimes hard to tell if you have this characteristic if you've spent most of your career in a corporate job in which all of your work is initiated for you by someone else. If you chose (a) and consistently generate your own ideas (even in a corporate setting), you have an advantage over those who wait for others to set their goals.**

### 2. Do you like and get along with people?

- a. I have rarely met anyone I didn't like and respect.
- b. I have a few good friends that I enjoy, but have little interest in knowing a great many people.
- c. I'm not antisocial, but the great majority of people are jerks.

**Nearly all small businesses succeed through people, primarily customers and employees. People who don't genuinely enjoy interpersonal contact on a regular basis are at a distinct disadvantage. Many start-up opportunities are in service businesses where personal contact is especially important. If you can honestly answer (a), you are better equipped to function in a small business environment than if not.**

### 3. Has your career so far been primarily in:

- a. Small business (less than 200 employees)?
- b. Medium-sized business (200 to 1,000 employees)?
- c. Large business (over 1,000 employees)?
- d. Government or nonprofit organizations?

**The most valuable experience for your own small business is (a), working in someone else's small business, especially in the same field. Big business and government experience can actually be a detriment, because the characteristics for success in those areas are often negatives in an entrepreneur. Further, the small business environment is something that must be experienced to be fully understood. If you've never been there, it's hard to know just what you're getting into.**

**4. Did you engage in business activity as a child or teenager?**

- a. I started one or more businesses of my own.
- b. I worked all the time in a series of part-time and summer jobs.
- c. I worked when I had to.

**The work ethic and entrepreneurial drive show up early; (a) is the most encouraging answer. If you didn't have it when you were young, you're less likely to develop it later on.**

**5. How old are you now?**

- a. 20's.
- b. 30's.
- c. 40's.
- d. Over 50.

**For what it's worth, more successful entrepreneurs seem to start in their 30's than at other ages. This age seems to combine enough experience with enough youth to be enthusiastic.**

**6. Have you ever been fired (not laid off) because you just didn't get along with your boss or the environment?**

- a. More than once.
- b. Once.
- c. Never.

**Within reason, it's better to have been fired. Entrepreneurs don't like working in someone else's structured organization, and they often make waves about it. They often have trouble with authority and are vocal if they don't agree with the way things are done. Be careful, though, a continuous history of firings can mean you have a serious personality problem.**

**7. What is your main reason for considering your own business?**

- a. To be my own boss.
- b. For prestige and recognition.
- c. To get rich.

**(a) or (b) put you in the entrepreneur's profile. The most pervasive characteristic of entrepreneurs is that they don't like working for someone else. They like to call the shots themselves. They also tend to be extroverts who crave recognition. Money is nice but of secondary importance.**

**8. How would you react if you started a business and it failed, losing most or all of your savings in the process?**

- a. I'd learn from my mistakes and start over.
- b. I'd be very shaken but would eventually recover.
- c. That would be a disaster; I'd be devastated; I don't know what I'd do.

**Many if not most successful entrepreneurs have started more than once. Failure is a very real part of small business. It is essential that an entrepreneur be resilient and able to bounce back. If you chose (c), think hard about this whole idea.**

**9. What kind of gamble interests you the most?**

- a. A long shot with odds of 100 to 1 or more in which you can make a real killing (a payoff of 100 to 1 or more).
- b. A game in which the odds are against you (say 3 to 1) but in which you can improve your chances of winning by developing your skill at the game.

**Contrary to popular belief, entrepreneurs are not big risk takers. They don't like to gamble, but are willing to take calculated risks as in (b).**

**10. How much management experience have you had?**

- a. Several years supervising a variety of people and projects.
- b. A little.
- c. None.

**A small business owner has to manage people to be successful. It's better to have made your managerial mistakes on someone else's payroll. (a) is the preferred background.**

**11. Do you become totally involved in your work, tending to talk about it over meals with your family, to friends, at parties, etc.?**

- a. Yes, definitely.
- b. Mildly, but I'm not compulsive about it.
- c. No. I keep my business and personal lives separate.

**The best entrepreneurs devote their entire energy to their businesses. they live, eat, drink, and sleep their business. If you don't do that and your competitor does, who do you think is likely to win? Some people don't have that kind of dedication regardless of how hard they try. Some have it for whatever job they're doing. Some have it only for a certain field in which they're particularly interested. If you never experience an all-consuming affinity for work, think twice about small business. If you can only generate this kind of enthusiasm for a particular field that fascinates you, be sure that's the field your business is in.**

**12. Are you prepared to work 80 or more hours a week for an indefinite number of years?**

- a. Yes, and I'm excited about the prospect.
- b. Yes, if I have to, but I will look forward to the time when the business is secure enough for me to take it a little easier.
- c. No, that shouldn't be necessary except in the beginning. I'll work smart enough to put in reasonable hours.

**Small business has been described as working 16 hours a day to get away from an 8-hour-a-day job. Experience indicates that successful entrepreneurs work terribly long hours for many years before they get to relax. If you can't honestly choose (a) or at least (b), you may want to rethink your plans.**

**13. When you engage in competitive activities (sports, games, etc.) what is most important to you?**

- a. Winning.
- b. Playing with style, grace, and good sportsmanship.
- c. Enjoying myself and getting a good workout.

**Small business is an extremely competitive world. The best entrepreneurs fixate on winning, on being better than the other guy.**

**14. Do you belong to and actively participate in church groups, civic organizations, social and fraternal clubs, political organizations?**

- a. Yes. I'm a real joiner. I belong to five or more organizations. I go to meetings regularly, participate actively, and run for offices often.
- b. I belong to a few organizations but am not too active in most of them.
- c. No. I try to stay away from such activities as they take energy away from my work.

**Answer (a) is the best. Successful entrepreneurs tend to be outgoing people who love social contact and genuinely enjoy meetings and groups. The contacts that they make in these groups are very helpful to their businesses. If you aren't already the joiner type, don't expect to change and become one when you start your own business.**

**15. Do you like to solve problems yourself, or are you okay with getting help and advice from an expert?**

- a. I don't like reinventing the wheel. The first thing I do when faced with a problem is to look around for someone who has already solved the same dilemma.
- b. I work on things myself for a while and look for outside help if I get stuck.
- c. I take pride in working out my own solutions to my own problems.

**Effective businesspeople get the best answer as quickly as possible. That usually means looking to an expert---answer (a)---even if you have to pay them.**

**16. How do you handle getting several tasks done at the same time?**

- a. I'm able to get a number of things underway at once, dividing my time between them. I'm able to switch my attention to the hottest item and then return to the others without losing much momentum. In fact, I enjoy the variety of working this way.
- b. I find tasks yield to concentrated effort. I like to work hard on one thing until it's completed, then move on to the next item.

**Small business ownership is like a juggling act. You have to keep at least a dozen balls in the air all the time. If you can't divide your attention among several concurrent activities, you're almost certain to fail. Answer (a) is best, but this is a skill that can be learned.**

**17. How do you rate your organizational abilities?**

- a. Great. I always know where I am and where I'm going. I force the people under me to function in the same way.
- b. Fair to good. I generally know what's going on, but occasionally get lost.
- c. I'm a mess.

**The ability to organize people and tasks is an extremely important entrepreneurial task. A disorganized business is generally losing customers and money. If you're not an organized person now, the type who would honestly answer (a) or (b), you probably won't become one by going into business.**

**18. How is your health and energy?**

- a. I'm in excellent health. I have a great deal of energy and almost never get sick.
- b. I have an average level of health and energy.
- c. I have a significant health problem and am tired a lot.

**If you haven't gotten the idea by now, your own small business is going to be a tough, stressful grind. If you didn't answer (a), and don't have a great deal of physical and emotional strength and stamina, you'd better think twice.**

**19. Are you unemployed?**

- a. No. I'm considering leaving my current job to start my own business.
- b. Yes, but I'm been considering my own business for some time and would have quit pretty soon anyway.
- c. Yes, I was recently laid off and I thought I'd look into starting my own business while I'm also looking for another job.

**(a) is the most promising answer; (c) can be a disaster. It's rarely a good idea to try to buy a job by starting a business. If you weren't motivated to do it before you lost your job, you're probably not going to be a good entrepreneur now. Getting fired can be a lot like getting divorced. You're very vulnerable for quite some time afterward. Be doubly careful before making any major commitments. (Don't**

**confuse this with question 6---we're driving at a different issue here. It's okay to have been fired in the past because you were independent<sup>5</sup>, but it's not a great idea to think of small business as a way to create a job if you've just been let go).**

**20. How do you handle conflict of interest (as in dissatisfied customers or firing employees)?**

- a. I don't like it, but I get through it as quickly as possible and put it behind me.
- b. I rather enjoy conflict and winning by dominating others.
- c. I can't stand fights. I get through them, but it takes me days to recover emotionally.

**Conflicts are a way of life in business. In small business, the buck stops at the owner. There are conflicts with customers, suppliers, and employees all the time. In franchising, there's an added element, conflicts with the franchiser. An entrepreneur has to be able to deal with conflict without letting it get him down. Answers (a) and (b) are okay. Answer (c) may be a real problem. If you find conflict devastating, small business may be your route to a nervous breakdown!**

**21. How do you feel about authority?**

- a. I like running my own show but can accept authority that I feel is legitimate.
- b. I have to be able to do things my own way.
- c. I'm most comfortable when I have an authority figure to look up to.

**The desire for independence is one of the primary motivators among successful entrepreneurs. Answer (b) indicates that you fit the profile. However, an obsession with independence can spell trouble. No one can be completely independent, especially of customers. Too independent an attitude can be a real problem if your business is a franchise. A franchisee has to be willing to accept the franchiser's model of the business. If you sign the franchise agreement and can't do it their way, you risk losing your investment. In that case, answer (a) is best. It reflects an independent personality but not one so fiercely freedom-loving that it cannot survive within a structure of rules.**

**22. Can you make decisions?**

- a. I can weigh the pros and cons and make a decision quickly. The outcome is usually pretty good.
- b. I make good decisions, but it takes me a long time. I will not be rushed in important matters.
- c. I'm uncomfortable making important decisions.

**Decision-making is what entrepreneurs do for a living. The ability to make reasonably quick choices and live with the outcome is an absolutely essential characteristic. (a) is the best answer, (b) is a poor second, while (c) should raise a warning flag.**

**Do you have the right stuff? If so, it may be the beginning of the most exciting time in your life. If not, it's better to find out now.**

**If you came up with a majority of negative responses, you probably shouldn't go into your own business.**

**If you're like most people, you'll fall in the middle of the road on most issues. In that case, you may want to go ahead, but be careful that you really understand what you're getting into.**

**Good luck with whatever you decide!**