



Have you ever thought about owning your own business? If you have, you're not alone. Consider the following:

So What?

- Seven out of every 10 high school students are interested in starting a business.
- Approximately 370,000 young people ages 16-24 are self-employed.
- Every day, an average of 2,356 people go into business for themselves.

Those are pretty remarkable statistics, aren't they? Every year, more and more people start their own businesses, and many of those entrepreneurs are teenagers.

When you mow a lawn or wash a car, you're already in business. So owning your own business can be so alluring. If you've ever washed a car or mowed your neighbor's yard, you've already discovered one of the reasons why many people start their businesses—for money.

Unfortunately, a thirst for money is rarely enough to keep a business going. To be successful, an entrepreneur must have a passion for her/his business and work harder than s/he's ever worked before. Being an entrepreneur is definitely not easy, but if it's done right, starting and owning a business can be one of the most rewarding, satisfying things you could ever do!



Objectives

- 1 Describe the risks and rewards of entrepreneurship.
- 2 Explain factors that relate to entrepreneurial success.

Seize the Day!

Although Elise Macmillan and Bill Gates are different ages, come from different backgrounds, and have unique life experiences, they have one thing in common—they both started their own businesses. They are entrepreneurs. They seized the day, so to speak, by creating new products for the marketplace. They assumed the risks of starting and building their businesses, and they received (and are still receiving) personal and financial rewards for their efforts.



You've surely heard of Bill Gates, his company (Microsoft), and his wealth. After all, his net worth is in the billions, and in early 2009, Forbes.com named him the richest person in the world. But, what do you know of Elise Macmillan? Elise is a young entrepreneur who has turned something she loves—chocolate-making—into a business success!

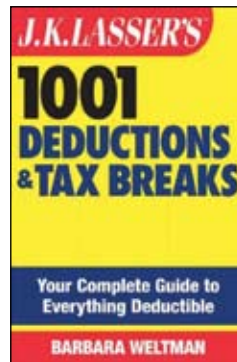
Elise's grandmother introduced her to the art of chocolate-making when Elise was three-years-old. Throughout Elise's childhood, she worked to perfect her grandmother's chocolate recipe and created many chocolate candies on her own. Her chocolates became so popular that in the late 90s, Elise and her brother Evan started their own chocolate-making business, called The Chocolate Farm, LLC. Elise and Evan were just 11 and 13 years old at the time.

In the decade since the siblings started The Chocolate Farm, the company has grown from a part-time business to a highly successful enterprise with international acclaim and honors. Elise, Evan, and their company have been featured in numerous publications, and they have



There are many ways you can obtain financing for your business start-up. You can borrow money from traditional sources, such as banks, family, or friends. Or, you can secure funding through government agencies, professional associations, corporate sponsors, angel investors, and scholarships. Talk to a tax advisor or business start-up agency; they can provide you with information about grants or loans.

U.S. legislative reforms have also created opportunities by providing small businesses with tax breaks. Deductions for home offices, supplies and equipment, mileage, travel, and insurance premiums allow a business owner to take the tax savings and invest them back into the company. Talk about making money by spending money!



Summary

Entrepreneurs see opportunities all around them. They seize these opportunities, build businesses based on their ideas, skills, and passions, and create new products for the marketplace. They take risks to build and grow their businesses, and they receive rewards for their efforts. Small-business owners are much less interested in taking risks or expanding their businesses. Managers help to make entrepreneurs' visions a reality, but they aren't necessarily entrepreneurs or small-business owners.

People start businesses for a number of reasons, and they face many risks, such as financial concerns, sole responsibility,

and personal commitment. Their businesses may fail due to poor management, poor planning, insufficient capital, dismal sales, overexpansion, or lack of experience. Still, due to increased opportunities including technological advancements, more-readily available resources and support systems, multiple finance options, and tax reforms, the number of entrepreneurs is growing.



1. What is an entrepreneur?
2. Explain the role of entrepreneurship in society.
3. Distinguish among entrepreneurs, small-business owners, and managers.
4. What are four reasons why individuals become entrepreneurs?
5. Discuss four factors that can contribute to business failure.
6. Explain the issues and challenges that entrepreneurs often face.
7. What opportunities are available for persons aspiring to become entrepreneurs?

The Gray Zone



Shortly after graduating from college, Jack took a job with the advertising agency Wendall, Caper, and Dobbins. His first position with the agency was account representative, and he truly enjoyed his work. He thrived on the fast pace and worked with lots of interesting people. Two years ago, because of his success as an account rep, Jack was promoted to account manager.

Shortly thereafter, Jack was promoted to executive management of the company, and Jack was given a new approach to doing business. Jack was not happy with his job. Instead, he dreams of owning his own advertising agency.

Two of Jack's closest friends, Rick and Gary, are also upset with the new direction that the company is taking. In fact, Jack knows that both of them have started looking

for work elsewhere. Perhaps, Jack thinks to himself, Rick and Gary would be interested in going into business with me. They are very talented at what they do, and we would make a great team. Should Jack tell Rick and Gary about his plans to start his own advertising agency? Is it ethical for him to talk with them about becoming partners in the new venture? Why or why not?

SAMPLE PAGE

Entrepreneurs also take note of trends in society, technology, the economy, and the government. Some of the latest trends include environmental protection, an aging population, the growth of e-commerce, the increasing number of dual wage-earner families, and the government's focus on terrorism and homeland security. All of these trends create opportunity, and if entrepreneurs seize these opportunities quickly and run with them, their businesses can become tremendously successful.

Take the increased focus on environmental protection, for instance. As a result of this trend, an entirely new breed of entrepreneurs has emerged—the ecopreneurs. Some ecopreneurs have jumped on the green bandwagon by using recycled materials in their products and utilizing alternative sources of energy for business operations, while others have developed businesses that focus directly on the environment. Some of these ventures include recycling facilities, water treat-

ment plants, and renewable energy businesses. What other green entrepreneurial ventures can you think of?

Summary

Entrepreneurs are self-aware individuals who know their strengths and weaknesses. They make the most of their strengths in terms of personal characteristics and skills, and they take advantage of professional development opportunities to develop their weak areas. Regardless of their talents and skills, all entrepreneurs have one thing in common—passion for their businesses and what they do. This passion, along with the ability to identify and respond to current trends, contributes greatly to the success of their businesses.



Tom Szaky,
Cofounder and CEO,
Terracycle



1. Explain the role of passion in entrepreneurship.
2. Describe characteristics of successful entrepreneurs.
3. What skills must entrepreneurs develop to be successful?
4. What types of professional development opportunities are available for entrepreneurs?
5. Discuss methods that entrepreneurs often use to identify new opportunities.

Make It Pay!

Do you want to start your own business? Do you have the entrepreneurial traits, skills, and knowledge needed to be successful? This is a great question to ask yourself, as well as your weaknesses and strengths to your advantage when you improve your weak areas? What, or interest are you passionate about? How could you turn that passion into a profitable business?

SAMPLE PAGE

