

Personal Entrepreneurial Strategy

The exercise that follows will help you gather data, both from yourself and from others, evaluate the data you have collected, and craft a personal entrepreneurial strategy.

The exercise requires active participation on your part. The estimated time to complete the exercise is 1.5 to 3 hours. Those who have completed the exercise—students, practicing entrepreneurs, and others—report that the self-assessment process was worthwhile and it was also demanding. Issues addressed will require a great deal of thought, and there are, of course, no wrong answers.

Although this is a self-assessment exercise, it is useful to receive feedback. Whether you choose to solicit feedback and how much, if any, of the data you have collected you

choose to share with others is your decision. The exercise will be of value only to the extent that you are honest and realistic in your approach.

A complex set of factors clearly goes into making someone a successful entrepreneur. No individual has all the personal qualities, managerial skills, and the like, indicated in the exercise. And, even if an individual did possess most of these, his or her values, preferences, and such may make him or her a very poor risk to succeed as an entrepreneur.

The presence or absence of any single factor does not guarantee success or failure as an entrepreneur. Before proceeding, remember, it is no embarrassment to reach for the stars and fail to reach them. It is a failure not to reach for the stars.

Name:

Date:

Part I: Profile of the Past

STEP 1

Examine Your Personal Preferences.

What gives you energy, and why? These are things from either work or leisure, or both, that give you the greatest amount of personal satisfaction, sense of enjoyment, and energy.

Source of Energy	Reason

What takes away your energy, and why? These create for you the greatest amount of personal dissatisfaction, anxiety, or discontent and take away your energy and motivation.

Source of Energy	Reason

Rank (from the most to the least) the items you have listed above:

Gives Energy	Takes Energy

In 20 to 30 years, how would you like to spend an ideal month? Include in your description your desired lifestyle, work style, income, friends, and so forth, and a comment about what attracts you to, and what repels you about, this ideal existence.

Review the idea generation guide you completed in Chapter 4 and list the common attributes of the 10 businesses you wanted to enter and the 10 businesses you did not:

Attributes—Would Energize	Attributes—Would Turn Off

Which of these attributes would give you energy and which would take it away, and why?

Attribute	Give or Take Energy	Reason

Complete this sentence: "I would/would not like to start/acquire my own business someday because . . ."

Discuss any patterns, issues, insights, and conclusions that have emerged:

Rank the following in terms of importance to you:

	Important	←	—————→	Irrelevant	
Location	5	4	3	2	1
Geography (particular area)	5	4	3	2	1
Community size and nature	5	4	3	2	1
Community involvement	5	4	3	2	1
Commuting distance (one way):					
20 minutes or less	5	4	3	2	1
30 minutes or less	5	4	3	2	1
60 minutes or less	5	4	3	2	1
More than 60 minutes	5	4	3	2	1
Lifestyle and Work Style					
<i>Size of business:</i>					
Less than \$1 million sales or under 5–10 employees	5	4	3	2	1
More than \$1 million sales or 5–10 employees	5	4	3	2	1
More than \$10 million sales and 40–50 employees	5	4	3	2	1
<i>Rate of real growth:</i>					
Fast (over 25%/year)	5	4	3	2	1
Moderate (10% to 15%/year)	5	4	3	2	1
Slow (less than 10%/year)	5	4	3	2	1
<i>Workload (weekly):</i>					
Over 70 hours	5	4	3	2	1
55 to 60 hours	5	4	3	2	1
40 hours or less	5	4	3	2	1
<i>Marriage</i>	5	4	3	2	1
<i>Family</i>	5	4	3	2	1
<i>Travel away from home:</i>					
More than 60%	5	4	3	2	1
30% to 60%	5	4	3	2	1
Less than 30%	5	4	3	2	1
None	5	4	3	2	1
Standard of Living					
Tight belt/later capital gains	5	4	3	2	1
Average/limited capital gains	5	4	3	2	1
High/no capital gains	5	4	3	2	1
Become very rich	5	4	3	2	1
Personal Development					
Utilization of skill and education	5	4	3	2	1
Opportunity for personal growth	5	4	3	2	1
Contribution to society	5	4	3	2	1
Positioning for opportunities	5	4	3	2	1
Generation of significant contacts, experience, and know-how	5	4	3	2	1
Status and Prestige	5	4	3	2	1
Impact on Ecology and Environment: Sustainability	5	4	3	2	1
Capital Required					
From you	5	4	3	2	1
From others	5	4	3	2	1
Other Considerations	5	4	3	2	1

Imagine you had \$1,000 with which to buy the items you ranked on the previous page. Indicate below how you would allocate the money. For example, the item that is most important should receive the greatest amount. You may spend nothing on some items, you may spend equal amounts on some, and so forth. Once you have allocated the \$1,000, rank the items in order of importance, the most important being number 1.

Item	Share of \$1,000	Rank
Location		
Lifestyle and work style		
Standard of living		
Personal development		
Status and prestige		
Ecology and environment		
Capital required		
Other considerations		

STEP 2

Examine Your Personal History

List activities (1) that have provided you financial support in the past (e.g., a part-time or full-time job, a paper route), (2) that have contributed to your well-being (e.g., financing your education or a hobby), and (3) that you have done on your own (e.g., building something).

Discuss why you became involved in each of the activities above and what specifically influenced each of your decisions.

Discuss what you learned about yourself, about self-employment, about managing people, and about making money.

List and discuss your full-time work experience, including descriptions of specific tasks for which you had responsibility, specific skills you used, the number of people you supervised, whether you were successful, and so forth.

Discuss why you became involved in each of the employment situations above and what specifically influenced each of your decisions.

Discuss what you learned about yourself, about employment, about managing people, and about making money.

List and discuss other activities, such as sports, in which you have participated and indicate whether each activity was individual (e.g., chess or tennis) or team (e.g., football).

What lessons and insights emerged, and how will these apply to life as an entrepreneur?

If you have ever been fired from or quit either a full-time or part-time job, indicate the job, why you were fired or quit, the circumstances, and what you have learned and what difference this has made.

If you changed jobs or relocated, indicate the job, why the change occurred, the circumstances, and what you have learned from those experiences.

Among those individuals who have influenced you most, do any own and operate their own businesses or engage independently in a profession (e.g., certified public accountant)?

How have the people above influenced you? How do you view them and their roles? What have you learned from them about self-employment? Include a discussion of the things that attract or repel you, the trade-offs they have had to consider, the risks they have faced and rewards they have enjoyed, and entry strategies that have worked for them.

If you have ever started a business of any kind or worked in a small company, list the things you liked most and those you liked least, and why.

Like Most	Reason	Like Least	Reason

If you have ever worked for a larger company (over 500 employees or about \$50 million to \$60 million in sales), list the things you liked most and those you liked least about your work, and why.

Like Most	Reason	Like Least	Reason

Summarize those factors in your history that you believe are entrepreneurial strengths or weaknesses.

Strengths	Weaknesses

Part II: Profile of the Present: Where You Are

STEP 1

Examine Your “Entrepreneurial Mind.”

Examine your attitudes, behaviors, and know-how. Rank yourself (on a scale of 5 to 1)

	Strongest	←	—————	→	Weakest
Commitment and Determination					
Decisiveness	5	4	3	2	1
Tenacity	5	4	3	2	1
Discipline	5	4	3	2	1
Persistence in solving problems	5	4	3	2	1
Willingness to sacrifice	5	4	3	2	1
Total immersion	5	4	3	2	1
Opportunity Obsession					
Having knowledge of customers’ needs	5	4	3	2	1
Being market driven	5	4	3	2	1
Obsession with value creation and enhancement	5	4	3	2	1
Tolerance of Risk, Ambiguity, and Uncertainty					
Calculated risk-taker	5	4	3	2	1
Risk minimizer	5	4	3	2	1
Risk sharer					
Tolerance of uncertainty and lack of structure	5	4	3	2	1
Tolerance of stress and conflict	5	4	3	2	1
Ability to resolve problems and integrate solutions	5	4	3	2	1

	Strongest	←	—————	→	Weakest
Creativity, Self-Reliance, and Ability to Adapt					
Nonconventional, open-minded, lateral thinker	5	4	3	2	1
Restlessness with status quo	5	4	3	2	1
Ability to adapt	5	4	3	2	1
Lack of fear of failure	5	4	3	2	1
Ability to conceptualize and to “sweat details” (helicopter mind)	5	4	3	2	1
Motivation to Excel					
Goal and results orientation	5	4	3	2	1
Drive to achieve and grow (self-imposed)	5	4	3	2	1
Low need for status and power	5	4	3	2	1
Ability to be interpersonally supporting (versus competitive)	5	4	3	2	1
Awareness of weaknesses (and strengths)	5	4	3	2	1
Having perspective and sense of humor	5	4	3	2	1
Leadership					
Being self-starter	5	4	3	2	1
Having internal locus of control	5	4	3	2	1
Having integrity and reliability	5	4	3	2	1
Having patience	5	4	3	2	1
Being team builder and hero maker	5	4	3	2	1
Summarize your entrepreneurial strengths.					

Summarize your entrepreneurial weaknesses.

STEP 2

Examine Entrepreneurial Role Requirements.

Rank where you fit in the following roles.

	Strongest	←	—————	→	Weakest
Accommodation to Venture					
Extent to which career and venture are No. 1 priority	5	4	3	2	1
Stress					
The cost of accommodation	5	4	3	2	1
Values					
Extent to which conventional values are held	5	4	3	2	1
Ethics and Integrity					
	5	4	3	2	1

Summarize your strengths and weaknesses.

STEP 3

Examine Your Management Competencies.

Rank your skills and competencies below.

	Strongest	←	—————	→	Weakest
Marketing					
Market research and evaluation	5	4	3	2	1
Marketing planning	5	4	3	2	1
Product pricing	5	4	3	2	1
Sales management	5	4	3	2	1
Direct mail/catalog selling	5	4	3	2	1
Telemarketing	5	4	3	2	1
Customer service	5	4	3	2	1
Distribution management	5	4	3	2	1
Product management	5	4	3	2	1
New product planning	5	4	3	2	1
Operations/Production					
Manufacturing management	5	4	3	2	1
Inventory control	5	4	3	2	1
Cost analysis and control	5	4	3	2	1
Quality control	5	4	3	2	1
Production scheduling and flow	5	4	3	2	1
Purchasing	5	4	3	2	1
Job evaluation	5	4	3	2	1
Finance					
Accounting	5	4	3	2	1
Capital budgeting	5	4	3	2	1
Cash flow management	5	4	3	2	1
Credit and collection management	5	4	3	2	1
Managing relations with financial sources	5	4	3	2	1
Short-term financing	5	4	3	2	1
Public and private offerings	5	4	3	2	1
Administration					
Problem solving	5	4	3	2	1
Communications	5	4	3	2	1
Planning	5	4	3	2	1
Decision making	5	4	3	2	1
Project management	5	4	3	2	1
Negotiating	5	4	3	2	1
Personnel administration	5	4	3	2	1
Management information systems	5	4	3	2	1
Computer/IT/www	5	4	3	2	1
Interpersonal/Team					
Leadership/vision/influence	5	4	3	2	1
Helping and coaching	5	4	3	2	1

	Strongest	←	—————	→	Weakest
Marketing					
Feedback	5	4	3	2	1
Conflict management	5	4	3	2	1
Teamwork and people management	5	4	3	2	1
Law					
Corporations	5	4	3	2	1
Contracts	5	4	3	2	1
Taxes	5	4	3	2	1
Securities	5	4	3	2	1
Intellectual property rights and patents	5	4	3	2	1
Real estate law	5	4	3	2	1
Bankruptcy	5	4	3	2	1
Unique Skills	5	4	3	2	1

STEP 4

Based on an Analysis of the Information Given in Steps 1–3, Indicate the Items You Would Add to a “Do” List.

Part III: Getting Constructive Feedback

Part III is an organized way for you to gather constructive feedback. (If you choose not to get constructive feedback at this time, proceed to Part IV.)

STEP 1

(Optional) Give a Copy of Your Answers to Parts I and II to the Person Designated to Evaluate Your Responses. Ask Him or Her to Answer the Following:

Have you been honest, objective, hard-nosed, and complete in evaluating your skills?

Are there any strengths and weaknesses you have inventoried incorrectly?

Are there other events or past actions that might affect this analysis and that have not been addressed?

STEP 2

Solicit Feedback.

Give one copy of the feedback form (begins on the next page) to each person who has been asked to evaluate your responses.

Feedback Form

Feedback for:

Prepared by:

STEP 1

Please Check the Appropriate Column Next to the Statements about the Entrepreneurial Attributes, and Add Any Additional Comments You May Have:

	Strong	Adequate	Weak	No Comment
Commitment and Determination				
Decisiveness	S	A	W	NC
Tenacity	S	A	W	NC
Discipline	S	A	W	NC
Persistence in solving problems	S	A	W	NC
Willingness to sacrifice	S	A	W	NC
Total immersion	S	A	W	NC
Opportunity Obsession				
Having knowledge of customer's needs	S	A	W	NC
Being market driven	S	A	W	NC
Obsession with value creation and enhancement	S	A	W	NC
Tolerance of Risk, Ambiguity, and Uncertainty				
Calculated risk-taker	S	A	W	NC
Risk minimizer	S	A	W	NC
Risk sharer	S	A	W	NC
Tolerance of uncertainty and lack of structure	S	A	W	NC
Tolerance of stress and conflict	S	A	W	NC
Ability to resolve problems and integrate solutions	S	A	W	NC
Creativity, Self-Reliance, and Ability to Adapt				
Nonconventional, open-minded, lateral thinker	S	A	W	NC
Restlessness with status quo	S	A	W	NC
Ability to adapt	S	A	W	NC
Lack of fear of failure	S	A	W	NC
Ability to conceptualize and to "sweat details" (helicopter mind)	S	A	W	NC
Motivation to Excel				
Goal and results orientation	S	A	W	NC
Drive to achieve and grow (self-imposed standards)	S	A	W	NC
Low need for status and power	S	A	W	NC
Ability to be interpersonally supportive (versus competitive)	S	A	W	NC
Awareness of weaknesses (and strengths)	S	A	W	NC
Having perspective and sense of humor	S	A	W	NC
Leadership				
Being self-starter	S	A	W	NC
Having internal locus of control	S	A	W	NC
Having integrity and reliability	S	A	W	NC
Having patience	S	A	W	NC
Being team builder and hero maker	S	A	W	NC

Please make any comments that you can on such matters as my energy, health, and emotional stability; my creativity and innovativeness; my intelligence; my capacity to inspire; my values; and so forth.

STEP 2

Please Check the Appropriate Column Next to the Statements about Entrepreneurial Role Requirements to Indicate My Fit and Add Any Additional Comments You May Have.

	Strong	Adequate	Weak	No Comment
Accommodation to venture	S	A	W	NC
Stress (cost of accommodation)	S	A	W	NC
Values (conventional economic and professional values of free enterprise system)	S	A	W	NC
Ethics and integrity	S	A	W	NC
Additional Comments:				

STEP 3

Please Check the Appropriate Column Next to the Statements about Management Competencies, and Add Any Additional Comments You May Have.

	Strong	Adequate	Weak	No Comment
Marketing				
Market research and evaluation	S	A	W	NC
Marketing planning	S	A	W	NC
Product pricing	S	A	W	NC
Sales management	S	A	W	NC
Direct mail/catalog selling	S	A	W	NC
Telemarketing	S	A	W	NC
Customer service	S	A	W	NC
Distribution management	S	A	W	NC
Product management	S	A	W	NC
New product planning	S	A	W	NC
Operations/Production				
Manufacturing management	S	A	W	NC
Inventory control	S	A	W	NC
Cost analysis and control	S	A	W	NC
Quality control	S	A	W	NC
Production scheduling and flow	S	A	W	NC
Purchasing	S	A	W	NC
Job evaluation	S	A	W	NC
Finance				
Accounting	S	A	W	NC
Capital budgeting	S	A	W	NC
Cash flow management	S	A	W	NC
Credit and collection management	S	A	W	NC
Managing relations with financial sources	S	A	W	NC
Short-term financing	S	A	W	NC
Public and private offerings	S	A	W	NC
Administration				
Problem solving	S	A	W	NC
Communications	S	A	W	NC
Planning	S	A	W	NC
Decision making	S	A	W	NC
Project management	S	A	W	NC
Negotiating	S	A	W	NC
Personnel administration	S	A	W	NC
Management information systems	S	A	W	NC
Computer/IT/www	S	A	W	NC

	Strong	Adequate	Weak	No Comment
Interpersonal/Team				
Leadership/vision/influence	S	A	W	NC
Helping and coaching	S	A	W	NC
Feedback	S	A	W	NC
Conflict management	S	A	W	NC
Teamwork and people management	S	A	W	NC
Law				
Corporations	S	A	W	NC
Contracts	S	A	W	NC
Taxes	S	A	W	NC
Securities	S	A	W	NC
Intellectual property rights and patents	S	A	W	NC
Real estate law	S	A	W	NC
Bankruptcy	S	A	W	NC
Unique Skills	S	A	W	NC

Additional Comments:**STEP 4****Please Evaluate My Strengths and Weaknesses.**

In what area or areas do you see my greatest potential or existing strengths in terms of the venture opportunity we have discussed, and why?

Area of Strength	Reason

In what area or areas do you see my greatest potential or existing weaknesses in terms of the venture opportunity we have discussed, and why?

Area Weakness	Reason

If you know my partners and the venture opportunity, what is your evaluation of their fit with me and the fit among them?

Given the venture opportunity, what you know of my partners, and your evaluation of my weaknesses, should I consider any additional members for my management team? If so, what should be their strengths and relevant experience?

Please make any other suggestions that would be helpful for me to consider (e.g., comments about what you see that I like to do, my lifestyle, work style, patterns evident in my skills inventory, the implications of my particular constellation of management strengths and weaknesses and background, the time implications of an apprenticeship).

Part IV: Putting It All Together

STEP 1

Reflect on Your Previous Responses and the Feedback You Have Solicited or Have Received Informally (from Class Discussion or from Discussions with Friends, Parents, Etc.).

STEP 2

Assess Your Entrepreneurial Strategy.

What have you concluded at this point about entrepreneurship and you?

How do the requirements of entrepreneurship—especially the sacrifices, total immersion, heavy workload, and long-term commitment—fit with your own aims, values, and motivations?

What specific conflicts do you anticipate between your aims and values, and the demands of entrepreneurship?

How would you compare your entrepreneurial mind, your fit with entrepreneurial role demands, your management competencies, and so forth, with those of other people you know who have pursued or are pursuing an entrepreneurial career?

Think ahead 5 to 10 years or more, and assume that you would want to launch or acquire a higher potential venture. What “chunks” of experience and know-how do you need to accumulate?

What are the implications of this assessment of your entrepreneurial strategy in terms of whether you should proceed with your current venture opportunity?

What is it about the specific opportunity you want to pursue that will provide you with sustained energy and motivation? How do you know this?

At this time, given your major entrepreneurial strengths and weaknesses and your specific venture opportunity, are there other “chunks” of experience and know-how you need to acquire or attract to your team? (Be specific!)

What other issues or questions have been raised for you at this point that you would like answered?

What opportunities would you most want to be in a position to create/pursue in 5 to 10 years? What are the implications for new skills, know-how, mentors, team members, and resources?

Part V: Thinking Ahead

Part V considers the crafting of your personal entrepreneurial strategy. Remember, goals should be specific and concrete, measurable, and, except where indicated below, realistic and attainable.

STEP 1

List, in Three Minutes, Your Goals to Be Accomplished by the Time You Are 70.

STEP 2

List, in Three Minutes, Your Goals to Be Accomplished over the Next Seven Years. (If You Are an Undergraduate, Use the Next Four Years.)

STEP 3

List, in Three Minutes, the Goals You Would Like to Accomplish If You Have Exactly One Year from Today to Live. Assume You Would Enjoy Good Health in the Interim but Would Not Be Able to Acquire Any More Life Insurance or Borrow an Additional Large Sum of Money for a “Final Fling.” Assume Further That You Could Spend That Last Year of Your Life Doing Whatever You Want to Do.

STEP 4

List, in Six Minutes, Your Real Goals and the Goals You Would Like to Accomplish over Your Lifetime.

STEP 5

Discuss the List from Step 4 with Another Person and Then Refine and Clarify Your Goal Statements.

STEP 6

Rank Your Goals According to Priority.

STEP 7

Concentrate on the Top Three Goals and Make a List of Problems, Obstacles, Inconsistencies, and So Forth, That You Will Encounter in Trying to Reach Each of These Goals.

STEP 8

Decide and State How You Will Eliminate Any Important Problems, Obstacles, Inconsistencies, and So Forth.

STEP 9

For Your Top Three Goals, Write Down All the Tasks or Action Steps You Need to Take to Help You Attain Each Goal and Indicate How Results Will Be Measured.

It is helpful to organize the goals in order of priority.

Goal	Task/Action Step	Measurement	Rank

STEP 10**Rank Tasks/Action Steps in Terms of Priority.**

To identify high-priority items, it is helpful to make a copy of your list and cross off any activities or task that cannot be completed, or at least begun, in the next seven days, and then identify the single most important goal, the next most important, and so forth.

STEP 11**Establish Dates and Durations (and, If Possible, a Place) for Tasks/Action Steps to Begin.**

Organize tasks/action steps according to priority. If possible, the date should be during the next seven days.

Goal	Task/Action Step	Measurement	Rank

STEP 12**Make a List of Problems, Obstacles, Inconsistencies, and So Forth.****STEP 13****Decide How You Will Eliminate Any Important Problems, Obstacles, Inconsistencies, and So Forth, and Adjust the List in Step 12.****STEP 14****Identify Risks Involved and Resources and Other Help Needed.**