

# Visionary Entrepreneurship

## Developing Entrepreneurial Mindset

**"Entrepreneurs have no frontier other than own ambition" - Rober Heller.**

**"Everything is always impossible before it works. That is what entrepreneurs are all about – doing what people have told them is impossible" - R. Hunt Greene.**

You might ask "Why do I need to develop entrepreneurial mindset when I am working for a company and do not intend to start my own business?. An entrepreneurial mindset is not about how to start a new business but about how to capitalise on uncertainty and rapid change. Developing an entrepreneurial mindset is the strategy for continuously opportunities in an age of uncertainty.<sup>1</sup>

Today's business environment is fast-paced, rapidly changing, and highly uncertain. Conventional business tools, training and conceptual frameworks do not prepare Managers for today's business environment. Managers are forced rapidly to sense, act and mobilize, even under highly uncertain conditions. These are central qualities of entrepreneurship. Integration of entrepreneurship and strategic management enables managers to continuously identify uncertain yet highly potential business opportunities, and exploit these opportunities with speed and confidence. With an entrepreneurial mindset and a way of thinking that enables you to capture the benefits of uncertainty, you will thrive in today's business environment.

Two decades ago, "bigger is better" was the catch phrase and now many giant firms are stagnant and drifting without focus or resolve. Big companies used to view entrepreneurship as a threat to their business and discouraged their employees from having any entrepreneurial tendencies. With the change of the business environment, their view is changing. Companies have realized that encouraging entrepreneurial mindset within the company helps them to identify business opportunities and redesign products and services. Entrepreneurship is the answer for a vital and vibrant economy.

How do we achieve an entrepreneurial mindset? Do we need to be born with it? Like

conventional business wisdom, you can learn it and train yourself to think and act like an entrepreneur. By following in the footsteps of other entrepreneurs, average people can make entrepreneurial thinking their second nature and succeed in their business. Many academic institutions now offer entrepreneurship programs and many would-be-entrepreneurs and managers flock in. These educated entrepreneurs have a higher rate of success.

Stay alert and always look for the chance to profit from change and disruption in the way business is done, if possible, creating entirely new business mode is. Keep an inventory of unexploited opportunities and take action only when the competitive arena is attractive and the opportunity is ripe. Once you spot opportunities, pursue with enormous discipline. Pursue only the very best opportunities without diluting your efforts too broadly. Execute and adapt. Engage the energies of everyone around you making the most of the intellectual and other resources people have to offer and helping those people to achieve their goals as well.

Small businesses play a vital role in the total economy and it is the main reason why governments should do more to foster small businesses vitality and growth. Studies have shown that most of the economic growth over the last twenty years in the U.S. can be traced to the small business community. Small companies account for about 50 percent of the country's output and most of the growth in employment over the same period. Most innovations over the last century originated in the research departments of small business or by individual entrepreneurs. In th U.S., the small business sector comprises nearly 95 percent of all private firms.

Governments' small business support tends to focus on financing. However, developing an entrepreneurial mindset is far more important than financing. When a company is led with an entrepreneurial mindset, it sets the business climate, orchestrates the process and engages in hands-on-leadership. Creating just another widget company adds hardly any value to economy. Viability of such business is also questionable in today's highly competitive business environment. Blockbuster business opportunities are seen only through entrepreneurial mindset and developing it should be the focus of governments' support.

## Leah H Zveglich \*

Many businesses start with a great idea. But a great ideal is not enough; you have to make it a great business. Your choice of a business model, a management team and financier may be crucial. Be aware that even with all the precautions and preparations, less than 50 percent survive 5 years, less than 30 percent survive ten years and less than 20 percent survive beyond 10 years.<sup>2</sup> Hardly any new businesses fail because of bad ideas, but because of bad execution, or poor business management practices on the part of the entrepreneur.

Below are core guidelines for managing with an entrepreneurial mindset:

- § Develop insight into the customer's behavioural context
- § In an entrepreneurial mindset, everybody plays.
- § Experiment intelligently.
- § Exercise discipline.
- § Spend imagination instead of money.
- § Framing is crucial to the entrepreneurial leade.
- § Be ruthless in respect of priorities.
- § Using fuzzy measures early on is better than using precise ones too late.
- § Pay attention to the cost – not the rate –of failure.

The guide below is prepared for would-be-entrepreneurs as basic tools to evaluate their personal potential and the soundness of new ventures. An employee could use this guide to see his/her entrepreneurial potential within the organisation/company.

Screen and prepare your ideas into a great business by going through the following steps:

### Assessing Your Entrepreneurial profile: Do You Have what it Takes?

There are some general personality traits that are key in being an entrepreneur.<sup>3</sup> If the following list seems to fit your personality, you may have what it takes:

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§ I am persistent, with a great deal of drive and stamina. I see problems as opportunities. I have a good intuitive sense and thrive on new ideas.

§ I tend to rebel against authority. I want to be my own boss.

§ I am positive, communicate well, and enjoy working with people.

§ I have a strong need to succeed, financially and otherwise.

§ I am not afraid to make mistakes, and I learn from them.

**Confidence** is one of the key assets of entrepreneurs. Of all traits, everyone agrees that **perseverance, persistence and determination** lay the foundation for success.

However, you do not have to be born with these traits. You can develop these traits through training, experience and right exposure.

#### Pros and Cons of Self-employment

Going solo isn't all that rosy. Consider the pros and cons and weigh them carefully. After careful and honest consideration, decide whether you want to make your ideas work utilising your employer's resources and leveraging your career potential or try on your own.

#### Negative Aspects of Running Your Own business -

§ Insecurity

§ Number of Business Failures

§ Possibility of Losing Money

§ Long Hours

§ Medium Income

§ Income Variation

#### Advantages of Self-employment -

§ Independence

§ Job Security

§ Potential Profit

§ Quality of Life

§ New Emphasis on Small Firms.

§ Managing Yourself and Your Business

#### Getting Ready to strike out on Your Own

When you are sure that going solo is the way to proceed, here is a to-do list to jump the fence into self-employment.

#### Making it Happen

You have prepared yourself for entrepreneurship, now it is time to prepare your business.

§ Check that you have that right idea

§ Develop a detailed, professional business plan

§ Bankroll your idea

§ Practice your networking

§ Plan your marketing and PR

§ Make sure you have the right financial and management support

#### Avoid Common Mistakes

Learn from other entrepreneurs and avoid making common but deadly mistakes. There are plenty of examples. Do not think that you are an exception and are immune to these mistakes:

§ Setting up equal partnerships

§ Having inadequate people and planning

§ Relying too heavily on one or two customers

§ Causing cash flow troubles through insufficient financing

§ Failing to admit mistakes

§ Underestimating competition

§ Getting family involved

§ Generalist

§ Make products/services first and find markets for them later

#### If you become successful

Don't fall into an attribution bias: the tendency of people to credit themselves unduly for successes that are heavily influenced by external factors (such as a boom market or a technology revolution) and to blame external factors disproportionately when they fail.

<sup>4</sup> Empty your mind of thoughts about self and focus on the environment.

Prevent "founder's disease" believing that "my company equals myself" pathology.

Diversify your investment and protect your personal finance.

#### If it Does Not Work

I have not failed. I have successfully discovered 1,200 ideas that don't work". Thomas A Edison.

Not all entrepreneurs succeed.<sup>5</sup> Some make fatal errors, and chief among those errors is a flawed business strategy. Other reasons include lack of attention to important business relationships, failure to spot competitive threats, slack credit and other operating policies.

Be honest with yourself and get out when you can. Don't fool yourself and keep postponing the closure.

Analyse your mistakes and learn from them. Many successful entrepreneurs have succeeded because of lessons learnt from their failed ventures.

<sup>6</sup> Companies do fail, however failure is not the end. Failure is a valuable learning experience that teaches us that the only true failure is 'not to try'.

Make a clean closure.

Now that you understand what an entrepreneurial mindset is, would you like to give it a try? Once you experience the fun of creating something new and seeing it develop, you will not stop. It's addictive!

#### Footnotes

<sup>1</sup> McGrath, Rita Gunther and MacMillan, Ian. 200. The Entrepreneurial Mindset: Strategies for continuously creating opportunity in an age of uncertainty. Boston: Harvard Business School Press.

<sup>2</sup> Source: "The Business Failure Record". By Dun & Bradstreet Credit services, a company of the Dun & Bradstreet Corporation.

<sup>3</sup> Source : Business: the Ultimate Resource. Perseus Publishing.

<sup>4</sup> Robert Arkin, a professor of psychology at Ohio State University

<sup>5</sup> Inc. magazine.

<sup>6</sup> "Entrepreneurship! Living the American Dream". Conference speech by Dr. Ray Smilor of the Kauffman Center of Entrepreneurial Leadership.