

What is an Entrepreneur?

Much has been written about entrepreneurs. Some of it portrays entrepreneurs as almost mythical characters who obtain their skills from a unique genetic combination. However, research tells us that entrepreneurship can be learned. The information below provides some characteristics and skills you may want to acquire to improve your entrepreneurial ability.

In terms of a small rural business, an entrepreneur is someone who identifies a market opportunity for agricultural commodities and products and creates a business organization to pursue the opportunity.

To help you understand entrepreneurs, here are four characteristics of successful entrepreneurs.

Successful Entrepreneurs Characteristics*

1. Successful entrepreneurs are able to identify potential business opportunities better than most people. They focus on opportunities - not problems - and try to learn from failure.
2. Successful entrepreneurs are action-oriented. This comes from a sense of urgency. They have a high need for achievement, which motivates them to turn their ideas into action.
3. Successful entrepreneurs have a detailed knowledge of the key factors needed for success and have the physical stamina needed to put their lives into their work.
4. Successful entrepreneurs seek outside help to supplement their skills, knowledge and ability. Through their enthusiasm they are able to attract key investors, partners, creditors and employees.

Risk Takers

It is commonly believed that entrepreneurs are risk-takers. However, the evidence suggests that they are risk-averse just like you and me. Successful entrepreneurs attempt to minimize their risk exposure whenever appropriate, by carefully assessing the risk/reward relationship of their actions. Risk is assumed only when the opportunity for reward is sufficiently large enough to warrant the risk.

Sense of Limits

At a very early age, from our parents, friends and teachers, we begin developing a sense of limits. These are limits of what we can and cannot do and what we can and cannot accomplish. It is manifest in many ways such as “we’re not good enough, not smart enough, or not capable enough”. This sense of limits is based on emotions rather than logic.

Entrepreneurs either don’t have this sense of limits or fight against it. All things are possible. Removing the sense of limits unleashes the creativity and innovative juices that are needed for successful entrepreneurship.

Locus of Control

Entrepreneurs tend to have a strong internal locus of control. Locus of control is a concept defining whether a person believes they are in control of their future or someone else is in control of it. For example, we all know people who believe they have no control over their lives. They believe that what happens to them is dictated by outside forces. People who feel they are victims of outside forces have an external locus of control – “it’s not my fault this happened to me.” By contrast, entrepreneurs have a very strong internal locus of control. They believe their future is determined by the choices they make.

Control of their Future

Entrepreneurs want to be self-directed. They want to be in control of their activities. This is linked to the “locus of control” discussion above. Entrepreneurs often don’t fit well in traditional employment positions. They don’t want to be told what to do. Entrepreneurs know what they want to do and how to do it.

Creators

Entrepreneurs like to create things. A business entrepreneur likes to create businesses and organizations. Often the more unique the business the better entrepreneurs like it. They like the challenge of coming up with new solutions.

Entrepreneurs may not be the best managers. After the organization is built they may lose interest or not have the skills needed to manage the business. Just because they are good at creating a business doesn't mean they will be good at running a business.

The Ten D's of an Entrepreneur **

Below are ten D's that help define an entrepreneur. If you want to be an entrepreneur, you will need to possess many of these behaviors. As you read over the list, compare yourself to these behaviors. How do you stack-up? What do you need to change?

1. **Dream** -Entrepreneurs have a vision of what the future could be like for them and their business. And, more importantly, they have the ability to implement their dreams.
2. **Decisiveness** - They don't procrastinate. They make decisions swiftly. Their swiftness is a key factor in their success.
3. **Doers** - Once they decide on a course of action, they implement it as quickly as possible.
4. **Determination** - They implement their ventures with total commitment. They seldom give up, even when confronted by obstacles that seem insurmountable.
5. **Dedication** - They are totally dedicated to their business, sometimes at considerable cost to their relationships with their friends and families. They work tirelessly. Twelve-hour days, and seven-day work weeks are not uncommon when an entrepreneur is striving to get a business off the ground.
6. **Devotion** - Entrepreneurs love what they do. It is that love that sustains them when the going gets tough. And it is love of their product or service that makes them so effective at selling it.
7. **Details** - It is said that the devil resides in the details. That is never truer than in starting and growing a business. The entrepreneur must be on top of the critical details.
8. **Destiny** - They want to be in charge of their own destiny rather than dependent on an employer.
9. **Dollars** - Getting rich is not the prime motivator of entrepreneurs. Money is more a measure of their success. They assume that if they are successful they will be rewarded.
10. **Distribute** - Entrepreneurs distribute the ownership of their business with key employees who are critical to the success of the business.

* Hofer and Sandberg

** Graves, William D. *The Portable MBA in Entrepreneurship*. John Wiley & Sons, 1994, page 5.

This institution is an equal opportunity provider. For the full non-discrimination statement or accommodation inquiries, go to www.extension.iastate.edu/diversity/ext.

Don Hofstrand, retired extension
agricultural business specialist
agdm@iastate.edu
www.extension.iastate.edu/agdm
