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Who Wants To Be An Entrepreneur?

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So you want to be an Entrepreneur? What does it take? Are you suited to entrepreneurial life? Have you got the required personality characteristics and what social factors influence whether or not you become an entrepreneur? While many studies have tried to answer these questions the results are somewhat mixed.

Just looking at some of our own indigenous entrepreneurs we can see they are a motley crew. Entrepreneurs come in all shapes and sizes, from different social backgrounds and with different motivations e.g. Michael Smurfit, Denis O'Brien, Chris Horn. It would appear that there is no such thing as a typical entrepreneur. However studies have found that entrepreneurs share a common type of personality (McClelland, Brockhaus, Morris, O'Connor and Rogers). Personality characteristics often identified with entrepreneurs include:

- **Need for achievement** - a need to prove oneself or seek personal accomplishment
- **Risk taking propensity and ability to identify opportunities** - entrepreneurs have the ability to recognise emerging patterns early, enabling them to get a head start on competitors. New opportunities are rarely revolutionary, but are often simply new ways of looking at old ideas e.g. Amazon.com. Entrepreneurs capitalise on change by chasing the opportunity in a short timeframe. While lots of us see opportunities it is the entrepreneur who takes the risk and marshalls the resources to pursue the opportunity.
- **Strong need for independence and control**
- **Internal locus of control** - this refers to the belief that one is responsible for one's own fate, that one has control over one's own life. This has been found to be a key characteristic of successful entrepreneurs.
- **Drive and energy**
- **Self confidence**
- **Tolerance of ambiguity and uncertainty**

These last traits are very important as the entrepreneur sets his/her own agenda and works in a constantly changing environment, where the 'Buck' generally stops with them alone.

Entrepreneurs have also been found to be good at problem solving, setting and attaining self imposed goals, dealing with failure and learning from mistakes. Learning from mistakes is very important because the entrepreneur rarely has the luxury of a mentor from whom to learn. Not many entrepreneurs can lay claim to all these traits and skills and it is therefore necessary to do a little honest soul searching and identify where your strengths and weaknesses lie prior to embarking on a business venture. This is an important exercise because in order to be successful the Entrepreneur will have to acquire resources he /she does not have. Ignoring your weaknesses e.g. lack of financial skills is not an option as it will lead to problems later on.

What really sets successful entrepreneurs apart from others however is their ability to fill the resources gap i.e. their ability to acquire resources in a practical, creative and cost effective manner. An example of this would be managing your limited financial resources tightly in the early days by hiring/leasing equipment instead of buying, working from home/garage until you can afford a premises, attracting investors, getting suppliers to give you credit, persuading marketing and finance professionals to offer up some of their valuable time to give expert advice, hiring multi-skilled, flexible staff who can grow with the business. Filling the resource gap requires highly developed networking and negotiating skills.

To complicate the matter the skills required to start a business are very different from those required to manage a growing enterprise. The Entrepreneur will have to adapt continuously as the business grows. Initially financial, marketing, technical and administrative skills are all important but as the business develops the traditional management skills of planning, leading and organising become crucial. Entrepreneurs need to be equipped with the business and technical skills not only to start a business but also to manage a growing venture. Many of these latter skills fortunately can be learned through training and experience.

Not all people who have entrepreneurial skills start businesses. The true entrepreneur is motivated to do so. Motivations vary and can start very early in life. Our social upbringing can strongly influence our entrepreneurial tendencies i.e. an entrepreneurial parent often creates an environment where entrepreneurial development is encouraged. Many studies support this e.g. Shapero and Sokal found that over fifty percent of company founders in the US had parents who were company owners, free professionals, independent artisans or farmers. A similar study in Ireland (O' Farrell 1986) found that a high percentage of new firm founders had fathers who were self-employed. Growing up in such an environment means self-employment is seen as a very acceptable career option. In Ireland we can see this tendency in our leading entrepreneurial families e.g. the O'Reilly's, Ryan's and Smurfit's.

The motivations for starting a business are manifold. Some people become self-employed because they do not comfortably fit in with the restrictions of the modern organisation (Kets De Vries). They resent and are uncomfortable with the rules and regulations and prefer the freedom of working for themselves. Shapero found that 65% of the entrepreneurs in his study had started a business for negative reasons,

such as involuntary redundancy or job dissatisfaction. Another study found that 60% of entrepreneurs had decided to start a business long before they knew what type of business they wished to establish. Many entrepreneurs use the experiences they have gained in employment as a stimulus to 'try it' themselves. Ireland is full of company owners who learned their skills in Irish based Multinationals, before venturing out on their own.

Because entrepreneurs need to gain experience in their chosen market, many work for a number of years in formal employment prior to starting a business venture. Hence the typical entrepreneur is between thirty and forty years of age (Cooper) and until recently was predominantly male. However there is encouraging news for budding female entrepreneurs as women in the US are starting businesses at twice the rate of men and 50% of all US businesses are expected to be owned by women by the end of this year. Hirsich and Brush found that the female entrepreneur is typically first born, middleclass, starts her business venture in the services sector at the age of 35 having first obtained a degree and raised her children.

Being a successful entrepreneur requires a mix of skills and resources, but above all it requires dedication, commitment, hard work, drive and energy. As such it is wise to start a business only when the timing is right, not just for the business opportunity but for you. Getting a business off the ground does not leave room for any distractions and requires strong family support. So if there are distractions in your life such as on-going studies, getting married or starting a family, then you should seriously consider the appropriateness of your timing, regardless of market conditions. If you are determined to be an entrepreneur there will always be another opportunity around the corner.

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