

## 16.4: Entrepreneurial Pathways

### LEARNING OBJECTIVES

By the end of this section, you will be able to:

- Understand how venture opportunities present different pathways to entrepreneurship
- Describe methods for finding your personal path to entrepreneurship

When you think of which career pathway (as in Figure 16.4.1) to follow, you might not think of being an entrepreneur in the same way that you would think of being a nurse, an attorney, or an engineer—but you should. Entrepreneurship offers you the chance to express your creativity and business acumen and to control your destiny. Conversely, if you were to earn an engineering degree, your employment options could involve working for an engineering company. Your job would be relatively secure and structured, with a paycheck and some perks. Or you could leverage your engineering degree into an entrepreneurial venture.

The entrepreneurial journey includes multiple experiences and decisions that will help you reach your entrepreneurial goals. For example, some individuals inherit a family business. If your choice career proves not so ideal or available as planned, entrepreneurship may be an attractive option. However, a growing number of people intentionally choose business ownership as a vehicle for fulfilling their career goals and interests. If you reach this crossroads in selecting your ideal vocation, how do you successfully navigate the entrepreneurial pathway as a career option? Your entrepreneurial journey might travel several paths, each presenting obstacles, twists, and turns before you reach your destination. Many of today's entrepreneurs have followed different pathways—sometimes conventional, sometimes not—that have led to the creation of various business structures matched to each entrepreneur's spirit. These businesses include established or adapted business models that met a need, solved a problem, or developed a social solution.

Regardless of the type of entrepreneurial venture you may choose, many pathways can take you to your goal. Venture types differ in their missions and visions. Their purposes range from earning income (for profit) to meeting a community need through tax-exempt status (nonprofit) to solving a social or environmental problem (social enterprise) to combinations of these types (hybrid).

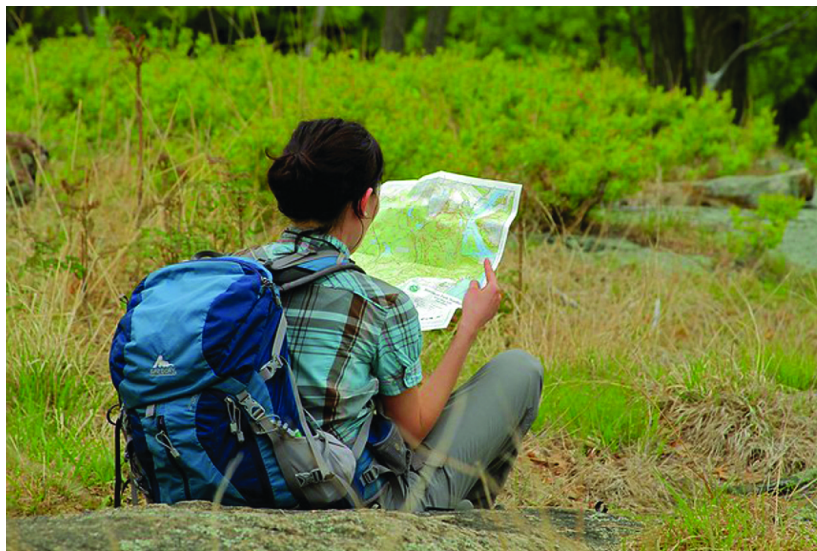


Figure  
16.4.1

: There are many different pathways you can take on your entrepreneurial journey. (credit: "Explorer" by Sakeeb Sabakka/Flickr, CC BY 2.0)

For many established businesses, the pathway is not always as clear as the entrepreneurial process suggests. This is because entrepreneurs are opportunists, leaders, and initiators: They take calculated risks to create or adapt something to solve a problem or create a response for potential financial gain or intrinsic value. The reality is that these situations or opportunities do not always occur in a logical sequence or order. Instead, entrepreneurial-focused individuals might encounter opportunities, offers, or options that spark a new venture.

## Opportunities and Options

If you are ready to launch a venture, you will find numerous situational opportunities to pursue your interests. A **situational opportunity** is one that becomes available, depending on factors such as where you work, your family obligations, your idea or invention, your unique creative expression, or a recent career search or job change. The evolution of entrepreneurship, your own receptiveness to entrepreneurial thinking, and many existing and emerging platforms make this possible.

As you plan your venture, you should consider opportunities in these areas:

- **On the Job.** Some workplaces offer intrapreneurial opportunities, or ventures created within the company, for entrepreneurial-minded individuals. The firm 3M, for example, has historically nurtured employee creativity and promoted innovative opportunities for employees. This environment inspired an employee project that resulted in the invention of Post-it notes. Even if a company does not support venture creation, there is also the possibility of taking the entrepreneurial idea out of the company to create your own venture.
- **Family Obligations.** You might work in a family-owned business or take over after family members retire or transfer ownership to other family members.
- **Franchises.** You might purchase an existing **franchise**, a license granted to an entrepreneur to operate under the franchise's name.
- **Web-Based Venture.** You might launch a product venture through Etsy, Shopify, or another e-commerce web site.
- **Work for Hire, or Independent Contractor.** You might launch a consulting business or work as an independent contractor to gain clients, experience, and income on a flexible schedule.
- **Unemployment.** Being underemployed or unemployed might make entrepreneurship a pathway to economic freedom.
- **Purchase.** You might purchase an existing business from a retiree, your current company, or a family that owns a business. As a business owner's life situations change, due to aging or new interests, the business becomes available for new ownership. Working for a company can offer the option of buying out the current owner to become the new owner. Purchasing an existing company provides historical financial data and decisions that support future successes. If you are employed by the company, you have the opportunity of learning details about how the business is managed, an advantage that could support your success in purchasing and managing the company.
- **Frustration.** You might encounter a currently existing product or situation that needs improvement or a solution, and decide to tackle the situation yourself.
- **Serendipity.** This is a situation in which various pieces come together to support the creation of a new company or product. The [Entrepreneur in Action: Gordon Moore and Fairchild Semiconductor](#) box describes how Gordon Moore (creator of Moore's Law on the exponential growth of a single silicon chip doubling every year) was working for Shockley Semiconductor in 1956. At that time, he had little-to-no knowledge of semiconductors. However, he quickly learned about semiconductors by applying his PhD in chemistry and physics from Caltech to the semiconductor industry. After one year of employment, Moore and seven other employees left to form Fairchild Semiconductor, financed by Sherman Fairchild. During his eleven-year employment with Fairchild Semiconductor, Moore published a paper describing what we now know as Moore's Law. His next move was based on recognizing the importance of the microprocessor in transforming the computer and related industries. After frustrations with Fairchild's lack of support for this new direction, Moore, along with a colleague from Fairchild Semiconductor, Robert Noyce, formed Intel, the second largest semiconductor chip manufacturing company in the world.

### ENTREPRENEUR IN ACTION

#### Gordon Moore and Fairchild Semiconductor

Sometimes the path to entrepreneurship doesn't occur as you might plan or think. Consider the story of Gordon Moore, a co-founder of Fairchild Semiconductor: "Like many other scientists and engineers who have ended up founding companies, I didn't leave Caltech as an entrepreneur. I had no training in business; after my sophomore year in college, I didn't take any courses outside of chemistry, math, and physics. My career as an entrepreneur happened quite by accident. There is such a thing as a natural-born entrepreneur....But the accidental entrepreneur like me has to fall into the opportunity or be pushed into it. Most of what I learned as an entrepreneur was by trial and error, but I think a lot of this really could have been learned more efficiently."<sup>43</sup>

The combination of diversity in educational background and skills, the serendipity of being in the right place at the right time, and facing frustrations with the current situation can combine into recognizing an entrepreneurial opportunity. For Gordon Moore, learning about semiconductors, and creating the company Intel, was the furthest idea of what he pictured for his future.

The serendipity of his experiences, knowledge, and intelligence combined to support the creation of Intel. Gordon Moore is reported to have a net worth as of October 2019 of \$10.6 billion.

One core concern of entrepreneurship is how you will fund your venture and where you will find the necessary resources. Although some businesses require significant startup funding, it might surprise you to learn that many ventures have been launched by entrepreneurs who used their own capital, labor, connections, or other resources to start—an approach known as bootstrapping. Some savvy bootstrapping strategies include launching a venture part-time while maintaining a full-time job, using personal savings, bartering for services and materials, and securing pre-orders. Some entrepreneurs seek financial support for their venture through funding from angel investors, venture capitalists, or traditional loans or debt.

## Finding Your Entrepreneurial Path

The process and pathways to entrepreneurship can be overwhelming. With so many choices and decisions involved, entrepreneurial choices can seem intimidating, and the route you follow may sometimes produce some anxiety. Before you get consumed with the technical aspects of launching a venture, it is important to start with the most important foundation: finding your personal path to entrepreneurship.

### Your Personal Path through Self-Reflection

Your decision to launch a venture should not be taken lightly. Entrepreneurship requires a lot of energy, decision-making skills, tenacity, resourcefulness, and flexibility. As you consider entrepreneurship as a career, you should complete some self-reflection to figure out how, why, and when entrepreneurship may be the right professional path for you. For example, if your personality is introverted—that is, you often find it most energizing to be alone—you might consider a venture that capitalizes on that scenario. It might be helpful to study or meet other entrepreneurs with a venture you find interesting.

#### WORK IT OUT

##### Startup Ideas

Visit Medium.com to check out [this “Top 10 Business Ideas for Startups” article](#) and then review the [startup ideas for introverted personality types](#) at Small Business Trends.<sup>44,45</sup> Review the lists of ideas. Next, create a list of five or more of your own startup ideas. Often, we gain new insights by reading through other ideas. Your idea might be a spin-off of an original idea. Or the information you gain could trigger a brand-new idea.

### Your Personal Path through Research and Experiments

A key step to finding your personal pathway to entrepreneurship is to conduct research and try out roles related to your desired venture. Researching the potential industry or entrepreneurial options available to you will provide some level of comfort and validate your decisions about what you might do next. One concrete way to do this is to “shadow” a professional in your desired field. This means arranging to be an observer during a standard workday to see firsthand what is involved in running that type of business. You may also be able to secure some experience by serving as an apprentice, intern, or lab assistant, or as an independent contractor or freelancer, an individual who contracts to offer professional services or tasks for a negotiated fee. Informational interviews—whether informal chats with new or established business owners at a trade show or networking event, or a formal question session—can also provide insight.

### Your Personal Path through a Soft Launch

One sure pathway to entrepreneurship is to jump in with both feet and experience the process by launching a venture. Although this may seem like a big leap or you may feel you are not ready, remember that entrepreneurship is an experiential discipline that can be understood fully only through hands-on experiences. Launching a venture for a limited time frame or audience to gain experience, insights, and feedback about the target market or consumer—a process known as a **soft launch** (or soft open)—will provide valuable feedback on how to meet the consumer’s needs or improve on your product to ensure success. You might explore a soft launch by creating a sketch or sample of what you plan to offer and asking friends and potential customers what they think, or by creating a website or app prototype to share with a limited number of people to see if it works as planned (sometimes called a beta test) and get feedback.

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