

7.2: Reading- What Is an Entrepreneur?

What Is an Entrepreneur?

We are going to start our discussion of what an entrepreneur is by taking a look at one: David Fox. As you will see, for this schoolteacher, board games aren't just a hobby—they're a way of life. David Fox travels to toy fairs pitching his ideas in hopes of landing a deal that will turn his big dreams into reality.



The Nature of Entrepreneurship

If we look a little more closely at the definition of entrepreneurship, we can identify three characteristics of entrepreneurial activity (adapted from Marc J. Dollinger, *Entrepreneurship: Strategies and Resources*, 3rd ed, Upper Saddle River, NJ: Prentice Hall, 2003, pp 5–7):

1. *Innovation*. Entrepreneurship generally means offering a new product, applying a new technique or technology, opening a new market, or developing a new form of organization for the purpose of producing or enhancing a product.
2. *Starting a business*. A *business* combines resources to produce goods or services. Entrepreneurship means setting up a business to make a profit.
3. *Risk taking*. The term *risk* means that the outcome of the entrepreneurial venture can't be known. Entrepreneurs, therefore, are always working under a certain degree of *uncertainty*, and they can't know the outcomes of many of the decisions that they have to make. Consequently, many of the steps they take are motivated mainly by their confidence in the innovation and in their understanding of the business environment in which they're operating.

It isn't hard to recognize all three of these characteristics in the entrepreneurial experience of the Jurmains. They certainly had an *innovative* idea. But was it a *good* business idea? In a practical sense, a "good" business idea has to become something more than just an idea. If, like the Jurmains, you're interested in generating income from your idea, you'll probably need to turn it into a *product*—something that you can market because it satisfies a need. If—again, like the Jurmains—you want to develop a product, you'll need some kind of organization to coordinate the resources necessary to make it a reality (in other words, a *business*). Risk enters the equation when, like the Jurmains, you make the decision to start up a business and when you commit yourself to managing it.

A Few Things to Know About Going into Business for Yourself

So what about you? Do you ever wonder what it would be like to start your own business? Maybe you want to try your hand at entrepreneurship. You could be the next Larry Page or Sergey Brin, cofounders of Google. Or the next David Marcks, a golf course manager who came up with the idea of Geese Police—training dogs to chase geese from golf courses, corporate parks, and municipal playgrounds (Isabel M. Isidro, "[Geese Police: A Real-Life Home Business Success Story](#)," *PowerHomeBiz.com* (2008),

accessed August 31, 2011). Or even the next Pierre Omidyar, the French-born software developer who built an online venue for person-to-person auctions, known as eBay. (See American Academy of Achievement, “[Pierre Omidyar](#),” *Academy of Achievement* (November 9, 2005), accessed October 8, 2008).



Figure 7.2.1: Mark Zuckerberg founded Facebook while a student at Harvard and, by age 27, has built up a personal wealth of \$13.5 billion. Photo by Robert Scoble via Wikimedia Commons.

You might even turn into a “serial entrepreneur” like Marcia Kilgore (Encyclopedia of World Biography, s.v. “[Marcia Kilgore: Entrepreneur and spa founder](#),” accessed August 29, 2011). After high school, she moved from Canada to New York City to attend Columbia University. But when her financial aid was delayed, she abandoned her plans to attend college and took a job as a personal trainer (a natural occupation for a former bodybuilder and middleweight title holder). But things got boring in the summer when her wealthy clients left the city for the Hamptons. To keep busy, she took a skin-care course at a Manhattan cosmetology institute. As a teenager, she was self-conscious about her bad complexion and wanted to know how to treat it herself. She learned how to give facials and work with natural remedies. Her complexion improved, and she started giving facials to her fitness clients who were thrilled with the results. As demand for her services exploded, she started her first business—Bliss Spa—and picked up celebrity clients, including Madonna, Oprah Winfrey, and Jennifer Lopez. The business went international, and she sold it for more than \$30 million (Jessica Bruder, “The Rise Of The Serial Entrepreneur,” *Forbes*, August 12, 2010, accessed August 29, 2011).

But the story doesn’t end here; she didn’t just sit back and enjoy her good fortune. Instead, she launched two more companies: Soap and Glory, a supplier of affordable beauty products sold at Target, and FitFlops, which sells sandals that tone and tighten your leg muscles as you walk. And by the way, remember how Oprah loved Kilgore’s skin care products? She also loves Kilgore’s sandals and plugged them on her talk show. You can’t get a better endorsement than that. Kilgore never did finish college, but when asked if she would follow the same path again, she said, “If I had to decide what to do all over again, I would make the same choice . . . I found by accident what I’m good at, and I’m glad I did.”

For the sake of argument, let’s say that you would like to know a little more about going into business for yourself—in which case, you’ll want some answers to questions like the following:

- Should I start a business?
- What are the advantages and disadvantages of starting a business?
- How do I come up with a business idea?
- Should I build a business from scratch, buy an existing business, or invest in a franchise?
- How do I go about planning a business?
- What steps are involved in developing a business plan?
- Where would I find help in getting my business started and operating it through the start-up phase?
- How can I increase the likelihood that I’ll succeed?

In this section, we’ll provide some answers to questions like these.

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