

7.15: What Is an Entrepreneur?

Learning Objectives

- Define entrepreneur
- Identify the common traits of successful entrepreneurs

An entrepreneur is someone who has a bias towards action. Someone who views the world through a different lens. Someone who takes ‘no’ for a challenge, not an answer.

—Matt Mickiewicz, Owner of 99Designs.com, Flippa.com & Sitepoint.com

Merriam-Webster defines an entrepreneur as “one who organizes, manages, and assumes the risks of a business or enterprise.” What’s missing—or perhaps understated—in this definition is the importance of initiative. That is to say, grammar aside, entrepreneur is a verb. Given this, it might be more accurate to define an entrepreneur as someone who sees an opportunity—some hole in the market, or some way to better provide a current service—and works effectively to create a solution, carefully designing how the solution will be made and distributed.

In expressing an insider’s perspective, Atari and Chuck E. Cheese Founder Nolan Bushnell captures both the initiative and sense of urgency that is part of the entrepreneur’s DNA: “A lot of people have ideas, but there are few who decide to do something about them now. Not tomorrow. Not next week. But today. The true entrepreneur is a doer, not a dreamer.”

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Example: Young Entrepreneur Living the Dream

Jack Bonneau is the quintessential entrepreneur. In the three years he has been in business, he has expanded his product line, opened multiple locations, established strategic partnerships, and secured sponsorship from several national brands. His business has garnered publicity from *The New York Times*, *The Denver Post*, *The Today Show*, *Good Morning America*, and numerous other media. He has shared his business success on several stages, speaking at TechStars and the Aspen Ideas Festival, and recently delivered the closing keynote speech at a national STEM conference. He even landed a gig on *Shark Tank*.

Jack Bonneau is smart, charismatic, an excellent spokesperson, and persistent in his mission. And he is only 11 years old—which also makes him very adorable.

Jack’s business was born from a need that most kids have: a desire for toys. He asked his dad, Steve Bonneau, for a LEGO Star Wars Death Star. The problem was that it cost \$400. Jack’s dad said he could have it but only if he paid for it himself. This led Jack to do what a lot of kids do to earn some extra cash. He opened a lemonade stand. But he quickly learned that this would never help him realize his dream, so, with the advice and help of his father, he decided to open a lemonade stand at a local farmers market. “There were lots of people who wanted to buy great lemonade from an eight-year-old,” says Jack. In no time, Jack had earned enough to buy his LEGO Death Star. “I had sales of around \$2,000, and my total profit was \$900,” Jack said.

Jack realized that he was on to something. Adults love to buy things from cute kids. What if he could make even more money by opening more locations? Jack developed an expansion plan to open three new “Jack Stands” the following spring. Realizing that he would need more working capital, he secured a \$5,000 loan from Young Americas Bank, a bank in Denver that specializes in loans to children. Jack made \$25,000 in 2015.

The following year, Jack wanted to expand operations, so he secured a second loan for \$12,000. He opened stands in several more locations, including shopping malls during the holiday season, selling apple cider and hot chocolate instead of lemonade. He also added additional shop space and recruited other young entrepreneurial kids to sell their products in his space, changing the name to Jack’s Stands and Marketplace. One of his first partnerships was Sweet Bee Sisters, a lip balm and lotion company founded by Lily, Chloe, and Sophie Warren. He also worked with 18 other young entrepreneurs who sell a range of products from organic dog treats to scarves and headbands.

Jack's strategy worked, and the business brought in more than \$100,000 last year. This year, he became the spokesperson for Santa Cruz Organic Lemonade, and he's now looking at expanding into other cities such as Detroit and New Orleans.

Even though Jack is only 11 years old, he has already mastered financial literacy, customer service, marketing and sales, social skills, and other sound business practices—all the qualities of a successful entrepreneur.

Sources

"About Jack's Stands & Marketplaces," www.jackstands.com, accessed February 1, 2018; Peter Gasca

"This 11-Year-Old Founder's Advice Is As Profound as Any You Could Receive," Inc., <https://www.inc.com>, July 27, 2017; Claire Martin

"Some Kids Sell Lemonade. He Starts a Chain," The New York Times, <https://www.nytimes.com>, February 26, 2016.

Common Traits of Entrepreneurs

"The only skills you need to be an entrepreneur: an ability to fail, an ability to have ideas, to sell those ideas, to execute on those ideas, and to be persistent so even as you fail you learn and move onto the next adventure."

—James Altucher

As Joe Abraham found in his research, there's no blueprint for entrepreneurial success. There are, however, common characteristics of successful entrepreneurs. In Harvard Business Review's *Entrepreneurs Handbook*, the editors draw on research from multiple authors, organizing these common denominators in 5 categories:

1. Ideas & Drive
2. People Skills
3. Work Style
4. Financial Savvy
5. Entrepreneurial Background

Ideas and drive—creativity, vision and an ability to identify opportunities, in particular—are the elements without which there is no entrepreneurial venture. People skills include not only leadership but the ability to build networks, communicate an inspiring vision and influence people. Critical work style traits include a goal and planning orientation, a tolerance for uncertainty, a boot-strapping mindset, a commitment to continuous improvement, resilience and core business and relationship characteristics such as the ability to close a deal and accept advice. While in-depth accounting expertise isn't required, entrepreneurs should have a basic understanding of financial statements and associated concepts. Finally, entrepreneurship tends to run in the family, with 48% of entrepreneurs raised in a family business. Prior experience—from formal education, previous work experience, and past failures—are all factors that contribute to entrepreneurial success. In addition to the task-specific traits mentioned above, an ability to maintain balance; "grit and gratitude," as Avi Savar phrases it in an Inc. article, is essential for long-term business and psychological health.

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To the health point, it's worth noting that at the extreme, our strengths become our weaknesses or vulnerabilities. We see this most clearly in the Builder, but the downside risk is not limited to that personality type. In "[The Psychological Price of Entrepreneurship](#)," Jessica Bruder provides perspective on the emotional toll a startup business can take on an entrepreneur. This is not just a rite of passage; veteran entrepreneur Elon Musk publicly exhibited and discussed the "excruciating" personal toll Tesla has had on him in 2018 and his claims regarding privatization cost him his role as Tesla Chairman (he remains CEO).

Entrepreneurship can also have a steep financial toll: it's difficult (if not sometimes impossible) to maintain a separate job to pay the bills while working to create a new business. Any new venture will take up-front financial investment, and sometimes that investment comes from the entrepreneur's own pocket rather than a third-party investor. However, if your idea pays off, the financial reward can make it worth it in the end.

? Try It

Do you have what it takes to be an entrepreneur? Here are a few self-assessment options:

- [Harvard Business Review's Should You Be an Entrepreneur?](#) Test developed by Babson College Management Practice Professor Daniel Isenberg
- [SBA's Small Business Readiness Assessment](#)

If the assessments leave you undecided, consider one additional trait, drawn from Entrepreneur's "The 7 Traits of Successful Entrepreneurs" article: confidence. This is also a point made by LISNR Co-Founder & CEO Rodney Williams in his "So, You Want to Be An Entrepreneur?" article. His position: if you have to ask whether you're an entrepreneur, you're probably not. He refers to this as the "Miles Davis Test." Late in life, Davis was asked if he planned to continue making music. His response: I have to. I can't help it. That, according to Williams, captures "the soul of the entrepreneur."

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