

Small Business Management ^{19e}

LAUNCHING AND GROWING ENTREPRENEURIAL VENTURES

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CHAPTER

1

The Entrepreneurial
Life

Change – Change - Change

Assume that Modern Humans existed for 6,875 lifetimes (@80 years/lifetime):

- **Lived in Caves** 6,125
- **Have Written Word** 70
- **Have Printed Word** 7
- **Can Tell Accurate Time** 4
- **Have a Basic Electric Motor** 2
- **What happened during your lifetime?**
- **What might happen during your child's lifetime?**
- **What might the future look like? [FILM](#) (5 min)**
- **How quickly should we change? [VIDEO](#) (5 min)**

Change is Inevitable

SO . . . Must continually seek improvements

One thing that does NOT change ...

The need for Trust - is essential

- Energizes change in the company
- Improves bottom-line
- TRUST ENABLES

Establishing Trust

How do we build trust?

[Video](#)

Need a combination of:

- Communications
- Respecting people's ideas
- Following through on commitments
- Recognizing strengths & weaknesses
- Willingness to admit mistakes

Socializing Trends & Technology



How much time do you spend on your phone?

Are you addicted to a smart phone and texting?
Multitasking?



Technology in class . . . Appropriateness



If you have an emergency and need to receive a text or call – please take the call and step outside. We're all adults

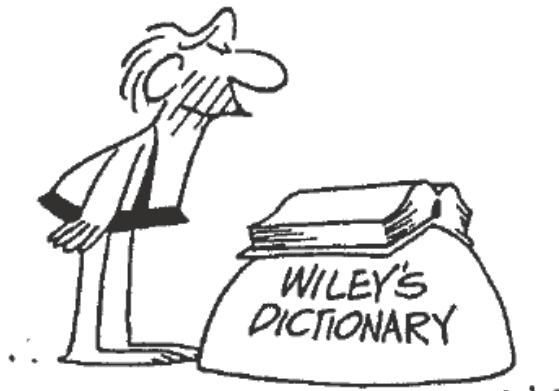
Laptop and tablet use OK - if it does not cause any distractions. Will also use cells in class (web Wi-Fi)

No technology allowed during exam review

The Independent Entrepreneur

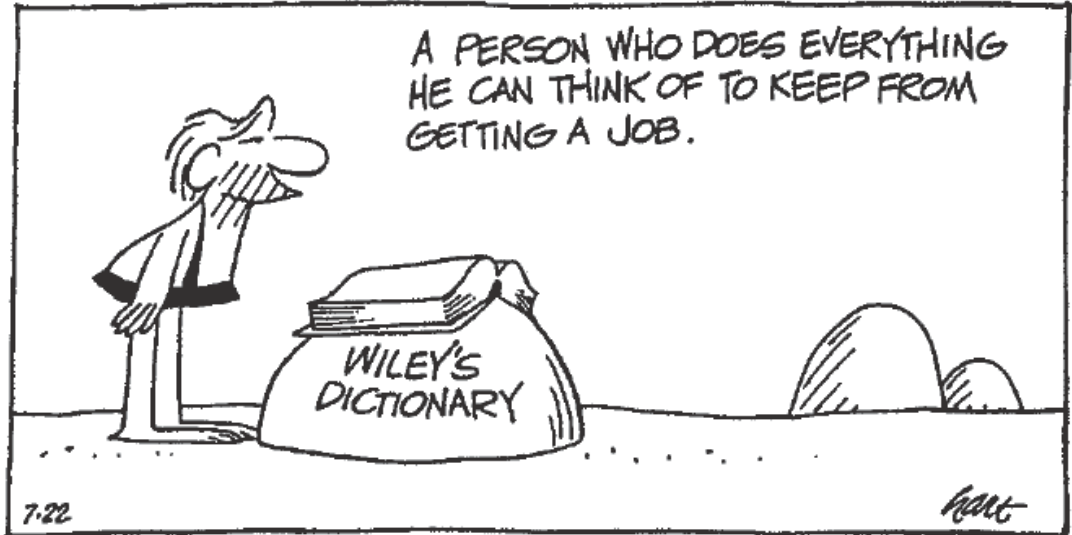
B.C.

entrepreneur



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BY JOHNNY HART



Entrepreneurial Opportunities

“Frustrations that lead to start ups”

Have you ever thought of starting your own business?

If so, what type of business would you like to start?

If not, what do you think is the biggest challenge?



Small Business Growth Potential and Profits

- High-Potential Venture (Gazelle)
 - Has great prospects for growth
- Attractive Small Firm
 - Provides substantial profits to its owner
- Microbusiness
 - Provides minimal profits to its owner
 - Also called “Lifestyle Business”
 - Permits the owner to follow a desired pattern of living



What Is a Small Business?

Defining Smallness

1. **Fewer than 100 employees**
2. Localized business operations (except marketing)
3. Financing supplied by one person or small group
4. Has the potential to become more than a “one-person show”



The Importance of Mentors

Mentors

- Are knowledgeable persons who can offer guidance from their experience in a given field.
- Teach entrepreneurs what and how to do.
- Show them how to avoid mistakes.
- Provide entrepreneurs encouragement when needed.

Our Project

- Identify entrepreneur (mentor)
- Interview



California – Land of Opportunity

RATE OF NEW ENTREPRENEURS

Percent of population that starts a new business

In 2020, the indicator value in California was **0.43%**.

CALIFORNIA 1996-2020



OPPORTUNITY SHARE OF NEW ENTREPRENEURS

Percent of new entrepreneurs who created a business by choice instead of necessity

In 2020, the indicator value in California was **79.69%**.

CALIFORNIA 1996-2020



STARTUP EARLY JOB CREATION

Average number of jobs created by startups in their first year (normalized by population)

In 2020, the indicator value in California was **6.43**.

CALIFORNIA 1996-2020



STARTUP EARLY SURVIVAL RATE

Percent of startups that are still active after one year

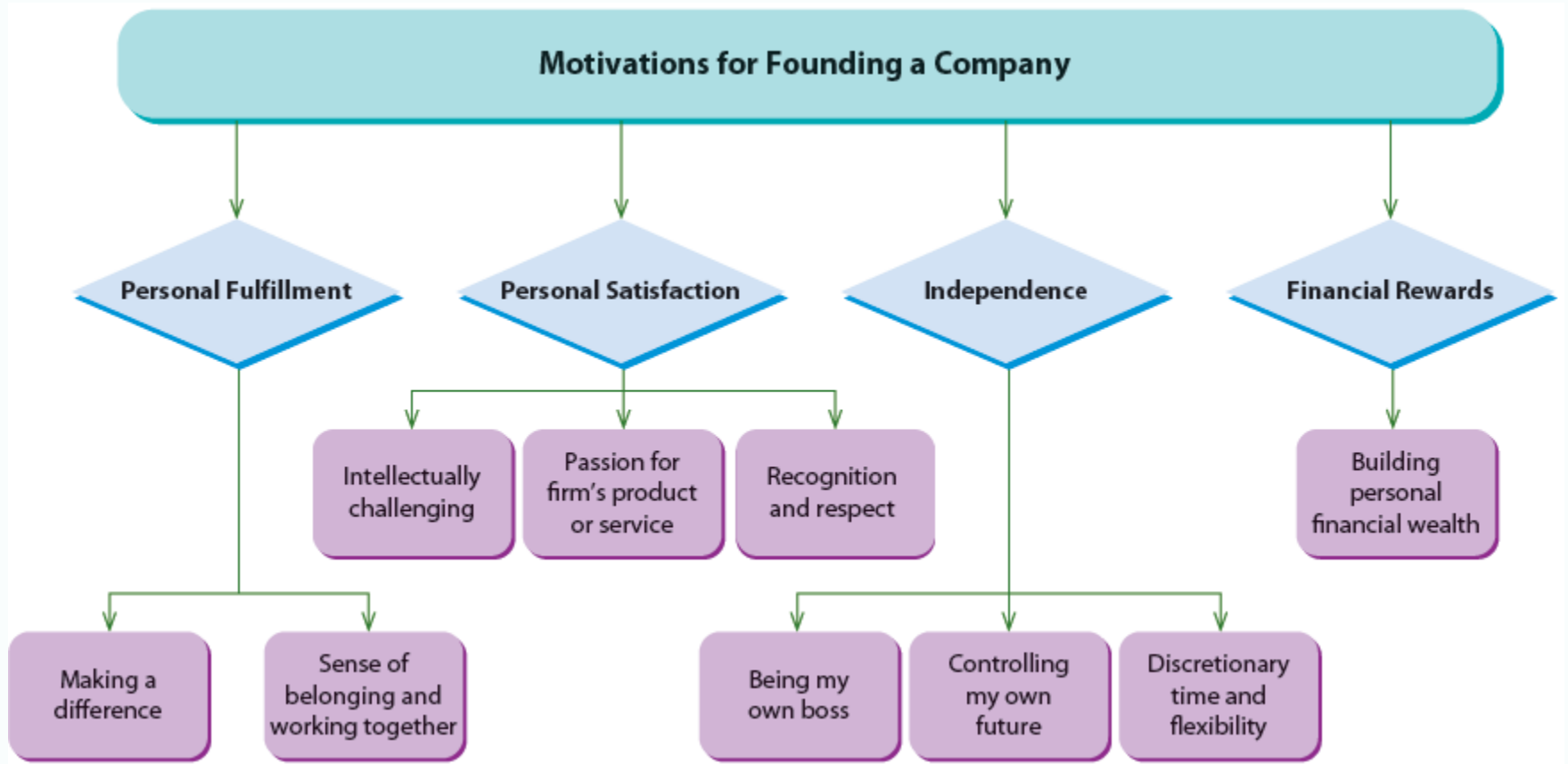
In 2020, the indicator value in California was **81.83%**.

CALIFORNIA 1996-2020



Source: <https://indicators.kauffman.org/state/california>

Entrepreneurial Motivations



Understanding Your Business Paradigm

One Person, Three Personalities

Technician

- Is short-term oriented
- Is paternalistic(Directive)
- Uses only traditional marketing strategies
- Is reluctant to delegale
- Relies on personal selling

Manager

- Avoids paternalism
- Delegates authority
- Varies marketing strategies
- Uses different sales approaches
- Seeks multiple financing sources

Entrepreneur

- Asks how the business must work
- Sees the business as a system
- Visualizes the future
- Develops strategies for the business by first seeing the whole picture

Balance Determines Level of Effectiveness

How We Work – Change . . .

Great Book: 4 Hour Work Week Book Review (8 min) - [Video](#)

Write (give details) :

1. List and describe each of the 6 tips provided.
2. What new ideas can you use? How?

SIX VITAL LESSONS THE NEW RICH

LESSON 1: DEFINE FEAR FINANCIALLY EMOTIONALLY PHYSICALLY DREAM
 WORST CASE SCENARIO 1-10
 1 - NOTHING
 10 - LIFE-CHANGING
 4 - WORST CASE SCENARIO
 15 Months

LESSON 2: AUTOMATE INCOME CREATE A PRODUCT LICENSE A PRODUCT RESELL A PRODUCT
 1. My Website \$25
 2. T-Shirt Printing Service PRINTFUL \$15
 3. Wholesaler Alibaba.com \$10
 Jerry purchased a shirt!

LESSON 3: BE EFFECTIVE, NOT EFFICIENT
 80/20 PRINCIPLE IF YOU HAD A GUN TO YOUR HEAD, WHAT 80% OF TASKS WOULD YOU REMOVE?
 PARKINSON'S WORK EXPANDS AVAILABLE FOR IT
 I ONLY GOT 2 HOURS... LETS DO IT!
 IM PRODUCTIVE...
 ELIMINATION IS KEY
 3 DAY
 2-HOURS 1,000 WORDS

LESSON 4: OUTSOURCING X20
 \$200 1-HOUR
 ELIMINATE BEFORE YOU DELEGATE
 20-HR OF DISHES
 400X THE VALUE
 20X THE VALUE VIRTUAL ASSISTANT \$3.00 / HOUR Upwork

LESSON 5: RELATIVE INCOME
 \$100,000 / YEAR 80 HOURS / WEEK \$25 / HOUR
 \$50,000 / YEAR 10 HOURS / WEEK \$100 / HOUR
 DEBBIE IS 4X RICHER IN RELATIVE INCOME
 9-5 JOB
 RE-SELLING LICENSING CREATING

LESSON 6: (MINI-RETIREMENTS) & GEOARBITRAGE
 LEVERAGING THE ECONOMIC DIFFERENCES BETWEEN MARKETS TO GENERATE A HIGH RETURN
 USD \$100 x60 x6
 10x MORE FOOD FOR SAME AMOUNT OF MONEY!
 SAME PRICE AS STAYING IN A MEDIOCRE HOTEL FOR 4 DAYS, THINGS START TO GET VERY, VERY INTERESTING. I SAVED \$32,000.
 1-6 MONTHS

SUMMARY

1. Define Fear
2. Automate Income
3. Be Effective, Not Efficient
4. Outsourcing
5. Relative Income
6. Mini-Retirements + Geoarbitrage

Outsourcing ...

How to outsource a start-up - EXAMPLE [FILM](#) (2 min)

Go to:

<http://www.domystuff.com>

<http://www.fiverr.com>

<http://www.virtualassistants.com/>

<http://www.upwork.com>

<https://www.brickworkindia.com/>

<http://www.guru.com>

Would you use any of these outsourcing services?

To bid (freelance business)? To source?