

# What is an Entrepreneur?



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People become entrepreneurs for many reasons. Sometimes it's just because they cannot find a job that pays enough, is interesting enough, or challenges them enough. Other times it comes after a long life of working for others and moving up in a company and then realizing that they can do more with their own business. Yet others start a business because they want time freedom and flexibility.

While there are many reasons for becoming an entrepreneur, it's critical to choose the right business and run it properly if you want to be successful. It's fun to say you're an entrepreneur, but it's a whole other thing to really do it successfully.

## What Is an Entrepreneur?

There is a lot of discussion about what makes an entrepreneur, both online and offline. For example, a freelancer is not really an entrepreneur in the sense of creating a business that they can retire from and still earn money, or sell to someone else to keep running into perpetuity.



An entrepreneur builds a business that can outlast them, while a freelancer earns money providing services or benefits to someone else for pay. But if that person is out of the picture, the freelancer won't get any money. An entrepreneur also takes a financial risk that is greater than average to run their business, while a freelancer generally doesn't have that many expenses.

Both are perfectly legitimate ways to earn a living, but the goal is slightly different. One is to work and earn money, and the other is to build something that is about more than making money and will outlast you and earn money today. You can choose to call either one of these, freelancer or business owner, an entrepreneur, but technically there is a mindset difference that is very subtle:

- Entrepreneurs build a business that outlasts themselves
- Freelancers build jobs that support themselves and their family

It's minimal but it is different and is an important distinction when we are talking about becoming an entrepreneur. The following pages will give you information about starting your own business and becoming an entrepreneur that manages their own resources to run a business and build a business that will live on after they're gone.

## Do You Have the Right Personality to Be an Entrepreneur?

The other aspect of entrepreneurship that is important to note is whether you have the personality to do it or not. Are you self-motivated? Can you act without a boss? If you notice you are missing some of the personality traits that entrepreneurs possess, can you make up for it by buying those traits or skills?

### *What Characteristics Do You Need to Become an Entrepreneur?*

There are lots of articles you can read online about all the personality traits that an entrepreneur should have. Many of them bring up the idea of being passionate about your work; however, there are more important things than passion when it comes to business success.

After all, some days you will hate your business. But you really don't have to be that passionate about the work, just excited about the results. This list of skills and personality traits that you need to be successful all hinges on your ability to do the work.





- **Expertise** – You need to know what you are doing. Without that, you need to at least have someone you can call on who knows what they, as the expert, are doing. You can outsource everything in your business, so you don't (for example) need to know how to build a website to be a website builder. You just need a plan for finding clients and assigning the work to other people.
- **Perseverance** – Once you start a business, you cannot give up when the first thing goes wrong. You need to be able to stick it out until you experience success. If you have done the research and you have the actions planned, you need to do those before throwing in the towel. Stick to it for at least a prescribed amount of time before quitting.
- **Resilience** – In truth, an entrepreneur needs to be able to fall and get back up immediately. Things are going to happen that cause you to second-guess yourself. That is normal. All businesses have normal ebbs and flows. Your ability to weather these storms is what will make you an entrepreneur.
- **Resourcefulness** – A lot of people think you need a lot of resources to start a business, but in truth, you just need to be resourceful enough to recognize when you have access to something amazing. For example, some of your resources may be money, people, or technology.
- **Motivation** – If you don't have the natural ability to motivate yourself and others to achieve a vision or goal that you have in your own head, it's going to be hard to be successful. However, if you lack motivation but you have the skills and desire, you can buy it in the form of a coach to help you find it.
- **Commitment** – This is the ability to truly be in your business 100 percent. You don't want to dabble in this business and that business and play at business. You want to do your due diligence and then stick to a business and make it work.
- **A Sense of Adventure** – Owning and running a business is a journey that you're going to take which is going to be a lot like being on a rollercoaster. There will be ups and there will be downs. Sometimes you will go very fast between the two; that's the way it is. They say that an entrepreneur likes to take the risk, but the truth is, a person who works for someone else is taking a risk too; they just don't realize it.

The other traits are also important, but when you notice that entrepreneurs encompass all types of personalities, from introverts to extroverts and everything in between, you quickly realize what makes them successful.

Research and taking strategic forward action that helps you reach the goals you make is what it takes. In short, doing makes you successful. You can have all the intention in the world plus lots of plans, but if you don't implement and do something, nothing will happen.

Once you make a choice to become an entrepreneur, the next thing you need to do is to decide which type of business you need to start to be successful.

## Steps to Choose the Right Business for You

Choosing the right business to start, based on what you know about yourself thus far, is the first thing you need to do to build your dream. Let's look at how you can choose the right business for you.

### *Step #1: Know How Much You Need / Want to Earn*

This may seem like a weird place to start, but whether we like it or not, money is how we pay for our lives. It's what enables us to get the education we want, go to the doctor, buy homes, enjoy entertainment and so much more.

Right now, you'll want to look at the "pie in the sky" and the "big, hairy audacious dream" lifestyle and pick a number that you'd like to earn. Justify it by creating a little one-page budget, so you know it works.

Consider everything, including how much tax you'll need to pay and potential business expenses. When it comes to earnings, the only thing that really matters is what you take home. That's the money you can spend.

### *Step #2: Know Your Skill Set*

The skills you have right now are essential to identify. What are you good at? As you evaluate different types of businesses, it's imperative that you know what you do well, what you do poorly, and what you don't ever want to do again.

You can start by listing the things you have done before, what you have education for doing, credentials for, and anything you've done for fun as well that required skill. Right now, just make a list without opinion or thought as to whether you like it or not. You may have the skill and hate it, but that's not important right this moment.

### *Step #3: Identify the Right Type of Business for You*

Considering your skill set, what industry do those fall in? Knowing the niche and industry where your skills fit in best is helpful. You may also decide to start with a particular type of business because you already know you want to do it. If you already think you know, what is it about that niche that calls to you?

One thing to consider is how much it costs to start that particular business. It's also important to know what type of business you do not want to do. For example, if you absolutely never want to do anything with MLM, that's great. Make it your goal to choose something else.

Based on your skills, write down a few different ideas that come to mind. Again, don't use any type of judgment right now. After you're done, you can go through and mark through the "no" ideas and highlight the "yes" ideas.

## *Step #4: Determine Who You Like Serving*

One thing to look at in any given industry is the type of people you like working with. If you don't like the people who are served by that type of business, you'll hate your business. If you like the people who you serve, you're going to love your business and feel good about it.

Write down a description of the type of person you'd like to work with. What are their values? What are their problems?

Do they have money to pay for problem solving? How many are they? Can you earn a living from that audience?

## *Step #5: Know Why You Will Do This*

It's also important to always keep in mind why you are choosing a particular type of business. Know your why - whether it's because you had a problem that you found the solution for, or if it's because you like working with the type of people that this business serves, or something else. Your story is your story. Be sure to tell it to your audience.

Taking the time to explore alternatives and new opportunities before you get started is all part of the process and journey of becoming an entrepreneur. Many people spend a lot of time researching until they find just the right thing. Once you do find the right thing, you can easily get started in your business. Let's look at the ways.



## Know How You'll Manage All Aspects of Your Business

Once you know the niche, the industry, and the people you'll serve, you can start thinking about how you'll run and manage your business. A typical business has several aspects that need to be managed. Yours may have all of these or only some, but you need to consider how you'll deal with each one that applies to your business.

### **Production**

How will you produce your product or solution? What type of product are you making? Is it physical or digital? How and who will make it? How much will it cost? What are all the parts you need to work together to get it to work?

For example, if you want to promote and sell affiliate software, that's a digital product. Will you outsource the project to someone who is going to code it for you? Can you code it? You need to plan out every single aspect of production and know who is responsible for it.

### **Research and Development**

How will you research your audience to keep creating amazing products for them? How will you research your competition? What means will you use to compile the data you collect? How often will you look at it and what will you use it for?

### **Purchasing**

It depends on your business, but all companies have to make purchases. You need to create a process for purchases, even if it's just you. How do you decide the price and who to choose to buy from? How will you keep track of the vendors you use? Who will maintain the relationships?

### **Marketing**

No business can succeed without marketing. What type of marketing do you want to do, and how will you do it? In this case, you may need to start with your budget and then choose your marketing method based on how much you can invest.

Online marketing is an important marketing method to use today. You can probably get started online less expensively than television, but you should determine which is best based on your business and your audience's needs.



## Sales

Do you need to hire people, work with joint venture partners, or bring on some affiliates? What software will you use? What features should it have? How will you handle sales? What type of software do you need to manage your customer relationships?

For example, when someone buys from you, that's only one part of the sale. There are transactional emails and followups that must be done to ensure customer happiness and satisfaction so that you can create repeat buyers.

## Human Resources

How will you handle your freelancers, employees, and others who work with and for you? Are you aware of the legalities of each? Is there a professional you can outsource to on a contract basis that you know about? Do you want to hire someone full time to deal with this? If you have several employees and contractors, it's in your best interest to have someone on staff or a contractor you can call on to ensure you're doing things legally.

## Accounting and Finance

What is your chosen business structure? How will you do your bookkeeping? Will you use a specific program? Will you hire a CPA to help? Do you have the skills to do it yourself? What about paying your taxes? Paying quarterly taxes (USA) is imperative. You must pay on every single dollar you earn from day one of your business.

Getting this appropriately organized is imperative. More than one business has taken a fall even though they were profitable due to unpaid taxes, and sometimes they even end up paying more than they should due to poor organization and commingling of business funds and personal funds.

You need to figure out each of these characteristics of your business and figure out how you'll deal with them. You may need to develop a team, find mentors to help you, take a course, or any number of actions to get started. Go through each area with your business in mind to make an action list.



## Run Your Business Right

Once you have figured out the business you want to start, know who your audience is and where they are, and get things in place to get started, you'll need to ensure that you are legal and running your business right. To do that, you need the best tools you can afford, and a plan to follow going forward.

### Get Legal

It depends on where you live and the type of business you are starting, but in most cases, you're going to need to get a business license. In some cases, you'll need more than one. How much the business license costs, and the type depend on where you live too.

#### *Check out the potential for needing the following:*

- Business license
- Federal and state (or county) tax ID
- Registered business
- Permits
- Licensing
- Business bank account
- Trademarks
- Copyrights
- Patents
- Business structure
- Inspections
- Labels
- Other

### Get Support

Like most things, it totally depends on your situation, but you need support as an entrepreneur - people that you can go to who will always tell you the truth and who also support your dreams. You may want to involve a coach, family members, a mentor, or someone else like a professional banker, CPA, or something like that.

Before you hire a coach, be sure to get to know them first. Check out their groups, pages, and websites, and join one of their less expensive options first to make sure you're a good fit. Any professional you want to bring on your team for support should be vetted to ensure they share your dreams and your values.

## Learn from the Experts

Identify three to five movers and shakers in your niche to follow so you can start learning. They may be your competition too. You can learn so much from them as you build out your business idea. They say that the best place to open a successful coffee shop is right across the street from a successful coffee shop. Don't fear your competition.

Your competition doesn't have to be someone who is "bad." The competition is not the enemy. You can learn from them and even team up with them on issues you both care about. But mostly, you can learn from them. Learn what they do well and learn what they do poorly so you can do better.

## Find and Get to Know Your Audience

Now that you know who you'll serve and what you want to do for them, it's time to find the audience and get to know them. You can use Google Alerts to set up a keyword or term that will then send you emails every day about that topic.

Follow the people your audience follows. Read the news they read. Get to know the gurus they like to follow too, whether you like them or not. There is something about them that your audience likes, and you can help them.

## Create Processes and Systems

One thing that is important if you want to be a successful entrepreneur is to set up processes and systems for the business. The more you can automate, the better. For example, if you can automate your inventory process, you will make more money. That's how Walmart took over the discount department stores.

Set up processes for everything, even things you cannot automate. For example, when you check the mail, you should have a process for that. When you set up processes and times to do tasks, you can turn them into habits and become much more efficient.



## *Read about the Butterfly Effect*

Learn what you can about the butterfly effect and incremental change. When you realize that every little step you do in an orderly manner will get you to the end, it becomes a no-brainer to set up your business that way.

For example, sending out an email to your subscribers automatically every single day is an excellent way to build relationships with them. Even though it's only one step, the fact that it's automated will make all the difference because it will free you up to do other things that improve your business. The thing to remember is that you do not need to reinvent the wheel. You can make a better wheel if needed, but you can use the wheels that exist right now to get started. Running your business "right" simply means that you go about things in a legal and organized manner with a goal in mind, using processes and systems to get things done more efficiently.

Keep in mind that even if you do all these steps and try to account for everything, sometimes issues happen. Many can be avoided, though, so let's go over some common obstacles to becoming a successful entrepreneur.

## **Common Obstacles to Successful Entrepreneurship**

Entrepreneurship is a way for many people to successfully build something that will take care of them and their family for generations. However, it's also fraught with barriers to entry, obstacles, and challenges that can become roadblocks to success. Let's go over this so that you know exactly what to look for.





## ***Finding Start-Up Capital***

Starting a business can be expensive and even when it isn't, it can be hard to come up with the money to get started. However, there are ways to get money. There are banks, but even PayPal offers loans to business owners without even checking their credit.

## ***Cashflow Management***

Once you start earning money, often it's not going to be the same amount every month like a job. It's going to sometimes be a lot and sometimes be nothing. Due to this, you need to learn how to manage your cash flow in a way that considers slow times and booming times.

## ***Hiring Employees***

You'll need to ensure you know the laws if you are going to hire people. This is a lot of information to learn so you may want to make your first hire someone with the right knowledge to help set it all up.

## ***Using Freelancers and Contractors***

Sometimes you may want to outsource work to someone but not hire them as an employee. You can work with freelancers and contractors who often own their own business. You'll give up some control over the work, but you tell them what you expect in the deliverables.

## ***Time Management***

Twenty-four hours. That's all you get. That's all anyone gets. Sometimes, it can seem as if the world expects entrepreneurs to have more. Learn all about scheduling the work that you need to do and how to avoid bottlenecks to do better with time management. Also, stop multitasking.

## ***Delegating and Letting Go***

One thing that can really block an entrepreneur is their inability to let go and let someone else do the work. As an entrepreneur who is building something bigger than themselves, letting other people do the work they're an expert at doing without your micromanaging will be a major source of success in your life as an entrepreneur.

## ***Understanding Technology***

Depending on your niche and industry, there is going to be the technology that you may want to learn. However, you may need to let someone else do it instead. Having said that, do seek a basic understanding of tech that you choose to use.

## **Marketing**

When it comes to business, you should “always be marketing.” This is according to the experts and according to successful people. There are many forms of marketing to learn about, including online marketing, offline marketing, and everything in between. Content marketing is one of the most important types of marketing today.

## **The Things You Don't Know**

Everyone has things they don't know, but the problem is that we also have things we don't realize that we don't know. There will be concepts that you've never even considered and that you don't know about. That's why you should always listen to your audience, your customers, and your competition.

## **The Tax Man**

One issue many entrepreneurs face eventually is the problem with paying taxes. Often small business owners just put this aspect of their business out of their minds, thinking it'll all be okay April 15th (in the USA). But, it won't be okay. You need to defer to a professional to set this up right and avoid losing your entire business due to owing too many taxes.

## **Self-Doubt**

This is probably one of the biggest obstacles you're going to face as an entrepreneur. So many people that you know, and love are going to act as naysayers when you say you want to start a business. It's likely going to cause you to be afraid, but you must stand strong in your knowledge and the research you do and keep on going.

Finally, one of the biggest obstacles to entrepreneurial success is you. Do the steps it takes to find the right business to start for you. Then make a commitment to stick to it based on the data you generate. If you do your due diligence first, you will not be as likely to fall victim to these obstacles.

## Getting Started Now

If you still want to start a business after reading this, let's look at how you can get started right now. You're just a few minutes away from the beginning of building your future. You may want to build an empire, or you may want to build a nice family business - it's up to you where you go on this journey, but you do have to get started.



### *Know Yourself*

Perform a SWOT on yourself. What are your strengths, weaknesses, opportunities, and threats? The more you know about yourself, the better. It's imperative that you operate with brutal honesty when it comes to getting started. For example, if you know that you're not good at sticking to things, that is a consideration that you should try to figure out how to work around, such as by hiring a business coach or business manager.

## **Use Your Skill Set**

When you are trying to figure out the type of business to start, it's always better to go with something you already know how to do - unless you are the type of person who can stick through lots of schooling and education first. If you are, that's great. You can choose to start any type of business with that type of action.

## **Conduct Market Research**

Once you've narrowed down an idea, don't start doing it right away. You need to research the idea first. If you don't, you might waste a lot of money trying to go all in. Instead, conduct smaller tests to find out if your market wants what you have.

## **Talk to Experts**

Find someone you trust that is an expert in starting a business or the type of business you want to start. You can go to an organization to get help too, such as SCORE.org or other business organizations in your community. You may be surprised at what is available for you. The feedback the experts can provide is invaluable.

## **Make It Legal**

Once you are sure about the type of business you want to start, don't go in halfway. Set up your business structure. Choose your business name and register your business with the proper authorities. Take care of your tax information with the federal and local governments. Get all the permits you need and so forth. Remember to set up trademarks, copyrights, and patents. Also, don't forget to set up your bank account.

Most of all, get started. Set up a timeline to go by so that you have a beginning and an end in mind. For example, don't say "I'm going to start a business" and then five years later not have done it. Instead, be intentional about what you say you'll do and then back it up by going through the steps and taking the action you need.

Remember, the most successful businesses are conducted by people who are invested in doing. They are implementors to the max. When you set up your business plan, set it up for taking action and doing things. When you do take action, you're going to be that much more likely to be successful. What are you waiting for?



# Simpay Academy

Simpay Academy is a small business learning center that provides valuable resources to help entrepreneurs develop the skills they need to be successful. We offer a wide array of valuable resources including eBooks, videos, blogs, guides, checklists and more!

Topics include (But not limited to):

1. Finance
2. Marketing
3. Sales
4. Pricing Strategies
5. Credit Card Processing
6. Business Planning and Strategies
7. Business Systems
8. Time Management for Entrepreneurs
9. Business Survival Tips
10. And Much More

