

Thinking Like An Entrepreneur Will Benefit Businesses

Extension Extra, July 2003

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When business owners think and act like entrepreneurs, they will dramatically improve the efficiency of their business and the quality of their personal life.

Business success can be defined in many ways including business size, market share, profitability, efficiency and ability to innovate, but there are certain qualities every successful business shares. A few of these qualities include having a clear sense of purpose, basing goals on realistic expectations, understanding strengths and weaknesses compared to their competitors, targeting the right group of customers and specializing in solving customer problems.

Businesses exist to make money. However, using profit as the sole measurement of business success can be deceptive. No matter what the profit margin is, there must be sufficient cash flow to run operations. It's essential for businesses to make regular calculations of profitability; this keeps them focused on revenues and expenses, and forms the basis for budgets, forecasts and controls.

Entrepreneurs often must use their creativity to find the resources needed to support a new venture. This is called bootstrapping; it's the practice of getting by with as few resources as possible and getting the most out of what's already available. This might include sharing office space, bartering arrangements for supplies, working additional jobs or selling assets. Bootstrapping isn't just a way to finance a new business; it's also a way to keep a successful business lean and flexible.

A popular bootstrapping strategy is to hire independent contractors, consulting firms or temporary employment agencies, rather than hiring additional employees to help with business operations. Independent contractors own their own businesses and hire themselves out to perform specific jobs for their clients such as accounting and bookkeeping, product design, promotions or logistics. The clever use of independent contractors can allow a small business to imitate the performance of a much larger firm.

It's important for start-up business owners to effectively organize their time to get tasks completed without neglecting their personal lives. No matter how small the business, one person usually can't do everything.

Creating a list of prioritized tasks and finishing them in one session will help keep entrepreneurs on track. Be sure to keep the work area free of clutter, and schedule the most important work for the morning.

Be sure to set boundaries between work, family and leisure time. It's easy for entrepreneurs to focus too intently on the rewards they reap from their efforts, which can alienate them from family and friends.

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SOURCE: Marilyn Schlake, program coordinator, Center for Applied Rural Innovations, Nebraska EDGE program, NU/IANR; NX Level Guide, 2000