



What power do I have as an entrepreneur?

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Entrepreneur: What's in a Definition?

As a small business owner, you work very hard and probably very long hours. Do you find that you have lots of great ideas, but never enough time to implement these ideas? Do you feel that you're working hard, but that you're not working very smart? Well you're probably right. Are you losing ground against your competitors or against your historical results? What are you doing wrong? Everything!

Are you an entrepreneur or a small business owner? Does it make any real difference?

How do we define "entrepreneur"? Bob Reiss, successful entrepreneur and author of *Low-Risk, High-Reward: Starting and Growing Your Small Business With Minimal Risk*, says: "Entrepreneurship is the recognition and pursuit of opportunity without regard to the resources you currently control, with confidence that you can succeed, with the flexibility to change course as necessary, and with the will to rebound from setbacks."

Read on to understand the differences between a small business owner and an entrepreneur. Understand how you may be at risk if you do not meet the definition of an entrepreneur.

All business people attempt to recognize and pursue opportunities, but entrepreneurs pursue these opportunities on different terms and without a bit of entrepreneurialism in all of us, continued success will be hard to achieve.

- Entrepreneurs pursue opportunities without regard to the resources they currently control, but small business owners often become protective of their assets because of their success and are hesitant to put their existing resources at risk. Entrepreneurs find creative ways to acquire the resources they need to achieve their goals. One of those resources is capital. This creativity is often lacking in small business owners who resort to banks and mainstream financing opportunities. Being creative in acquiring the resources you need to build and grow your business can be very helpful.
- Entrepreneurs pursue opportunities with confidence that they can succeed, but small business owners often have experienced previous failures and become a bit gun shy.
- Entrepreneurs have the flexibility to change course as necessary and are not static but fluid. They continue to seek opportunities and/or different methods of operation. This requires creativity and venturesome tactics. Small business owners think "inside the box" and dwell on the day-to-day challenges while entrepreneurs take creative approaches and think outside of the box.
- Finally, entrepreneurs have the will to rebound from setbacks. A small business entrepreneur becomes a small business owner when failing to rebound from these setbacks.



Small Businesses Don't Fail Because of a Shortage of Good Ideas, but They Do Fail All Too Frequently

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Take a look at how you are spending your time now.

Are you fighting the most critical fires yourself and then, if there is time left over, trying to implement some of those great ideas?

- Wrong approach!

Are you fighting all of those fires yourself because you feel that most of your staff can't help you?

- Wrong assumption!

Are you always short on cash, having to juggle bills, but don't think you'll qualify with a bank for additional capital?

- Wrong assumption!

Finally, are you blaming the economy for your poor financial results?

- Wrong reason!

Finding the time to improve any or all of these conditions is your first challenge. You can neither buy nor sell time. You can only choose to use the time you have for one thing or another. Reducing the time you spend on some items will provide you an opportunity to spend time elsewhere.

SMOTHER THE FIRES

You have to smother some of those daily fires before you can move on, but it probably seems that you've been trying to put those embers out for years and the sparks continue to re-ignite themselves at the most inopportune time. Developing very simple internal systems with a few checks and balances can identify the issues before they begin to blaze and make it easier and quicker to put the embers out than those raging fires.

Begin with a current fire. Identify the cause of the fire - improper tools, inadequate training, incomplete communications, etc. Create a system or procedure that will help to avoid this issue in the future. For instance, schedule continuous training in this area every 6 months. Write down the schedule. Print it. Distribute it. See if that permanently smothers the fire. Then move on to the next fire. Over time, you will have developed a complete set of written systems and procedures for your entire operation. You'll have time to move forward with your organization.

DEVELOP YOUR STAFF

Moving forward and even completing the fire fighting assignments will require involvement at all levels of your organization, but historically these employees may not have been involved at all. Frequently your staff has less formal education than you do and has not been involved in much of the company except the portion that is within 3 square feet of their work area. They struggle with personal and family issues and limited free time, and yet the majority of them are committed to doing a good job given the right tools and support. This is a great foundation for building your organization.



A good way to start is to involve each individual in any item that impacts their specific work area. This is the area they are most interested in and most knowledgeable about. Asking for their input, involving them in decisions, getting them to decide how to avoid those fires in the future and implementing their suggestions allows these individuals to slowly grow and understand the organization, its needs and their contribution. This is a very slow process, but gradually you'll have time and a critical asset to move forward with the growth-oriented projects.

GET THE CASH

Just as you thought that your staff wouldn't or couldn't help you in your organization, a similar concept exists for the access to another critical asset - cash. There is lots of money available to small businesses. Developing the right concept, contacting the right audience, and communicating the right message are skills that you may or may not have. Sometimes it's necessary to use outside expertise, like a CPA, to assist in this project. Don't hesitate to spend a little in order to make a lot.

A proper financial reporting foundation must be established. Timely financial reports, not just sales and cash that you might track today, must be prepared. It's easier these days than ever before to accomplish this task with a variety of small business accounting packages available. Once you have such a tool, you will find it very useful, not only to obtain additional funds, but for your own operational and planning requirements.

UNDERSTAND THE SCIENCE OF COMPLEXITY

Now that there is some structure in place resulting in fewer fires than ever before, you're in a good position to move forward with your organization. To do so successfully, is no easier just because you've freed up some time, developed your people and added a few useful tools to the business. The projects that you envision have their own challenges and complexities that must be recognized.

In a simple environment we expect that a push of a button or a turn of a lever will provide an immediate, direct, anticipated and predictable response. The real world is not structured in such a simplistic and mechanistic manner. Hoping that our environment has a high degree of predictability might be considered naive by some and wishful thinking by others. A concept, a strategy, and a plan do not ever become easily implemented in an exact and direct manner.

A plan, hatched by a business owner, is impacted by variables beyond your control. Your plan is impacted by people and events outside of your business as well as from the inside. Employees that you plan to participate in a new venture become trained and then may depart. As you are developing and attempting to implement your business extensions, your competitors are doing the same thing. Someone who once was not considered a competitor begins to expand his market far beyond historical borders and can impact your plans. Customers are becoming educated on their choices or their priorities may shift away from your product. Each independent body is following their own simple rules and consciously or unconsciously impacting every other independent body.

Recognizing this level of complexity is the first step to succeeding as your business enters this new period of complexity. Understanding that interdependence is the norm, that interaction occurs, that connections are as important as individuals, that adaptation is natural, that communication is essential, that isolation is not sustainable, and that life is very messy will be critical to your success in your new ventures.

This complexity has implications for your organizational structures, market responses, leadership styles, staffing, use of technology, and learning. Consider just adding one significantly different product line into your business today or one very large customer. What is the impact on your organizational structure? Who will do the work? How will it integrate into the



existing workload? What might fall by the wayside in the main line business? What new skills, technology, training, and procedures have to be developed? Who will implement these areas? How will you monitor and control them? How will you create a larger continuous learning environment as your sphere of influence increases? Each of these questions needs to be answered before moving forward.

At the moment, there may only be a few fires. Staff can handle the majority of issues. You have solid monitoring and controls in place. Frequent communication with you is efficient and effective. Life seems pretty good.

Adding a new product line takes time from throughout the organization. How will you respond when the number of fires increases from just a few to many, when staff suddenly does not have all of the answers to the majority of new issues that arise, when there are few reporting and controls in place, and when you get too busy to have frequent communications? Anticipating these issues is the first step to avoiding them.

MAXIMIZE THE IMPACT

We all want the biggest bang for the buck. We try to create solid business plans. Those plans need to include retaining the solid sales base that you've developed. Trying to anticipate these unexpected challenges and working hard to avoid disruption to your base is required. Plan to invest more time, money and resources than you initially think you'll need to succeed in the new ventures. They nearly always exceed their initial budget. There is training time in sales and operations. There is money in up front investments and perhaps carrying accounts receivables. Consider ramifications for new equipment, physical layout changes and new distribution systems requirements. Prepare for the worst and expect the best.

If you'd like assistance with your specific needs, contact us and someone will be able to work with you.
Call Us at: **253-851-6327**

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