

Community Futures has achieved a major milestone, celebrating 30 years of service to entrepreneurs and communities across BC. As part of our 30 year celebration, we are publishing *The Future of Entrepreneurship Series*. Written by business leaders, this series of forward thinking articles will provide insights and opinions in regards to a number of key challenges and opportunities facing entrepreneurs in the future.

Characteristics of Successful Entrepreneurs

Dr. David E Bond

I have been fortunate to know several successful entrepreneurs. All of them shared a number of key attributes that served them well as they launched and then managed enterprises. Over time, despite occasional bumps in the road, they became vibrant and profitable ventures.

First, when they launched their ventures, they were between 35 and 45 – or even older - and they already had significant experience. This is not to say that younger, less-experienced people cannot make it and make it big. Think of Bill Gates or Mark Zuckerberg, both of whom achieved remarkable success with businesses launched when they were still of college-age. But they are the rare exceptions.

Someone in their 30s or 40s has experienced a lot of the ups and downs in life and business and has therefore gained a certain degree of stability. They have an ability to cope with changes in their personal and financial circumstances - which are very likely as they make the shift from working for a larger business or government to being self-employed.

Second, when they started on the journey of starting up an enterprise, their personal financial position was not compromised by, for example, maxed-out credit cards or a spotty record of servicing their debts. Their personal debt was at reasonable levels compared to their incomes. When a new enterprise is seeking original or other early financing, the main criteria lenders will examine is the financial and credit records of the principals involved.

In addition to these attributes, the successful entrepreneurs I know shared a high level of

preparedness when approaching a start-up. They knew what they wanted to do and had a clear concept of the product or service they wished to provide. They saw an under-served market or unmet need and, after having carried out some initial research on feasibility, arrived at a belief there was an opportunity that they should seize.

As they progressed further, they assembled information on potential suppliers of products, on how to reach out to potential customers and identified the kind of resources - in terms of finance, facilities and, perhaps most importantly, personnel - they would require. And they were not shy about asking for advice and information and bouncing ideas off their friends and associates. They were all good listeners.

Determination is another essential characteristic because the road to establishing a successful business launch is seldom smooth. One of these embryonic entrepreneurs thought he had a deal with an American company through an affiliate in Canada - only to find out the owner of the US firm wanted total control. But, his company was floundering because he had expanded his operation with inadequate foresight. My friend realized he had had a lucky escape and quickly found another firm with which he could work. Through that firm, he made a series of contacts which allowed him, over time, to expand the range of products he sold. Knowing when to change course and being able and willing to make such an adjustment is essential for the successful entrepreneur.

Another friend wanted to start a consumer catalogue selling Canadian-crafted products. The idea came to her when she read a newspaper

article complaining it was impossible to find a tea towel with a replica of a Tom Thomson painting. So she began going to craft shows and collecting names of people in the craft industry and then slowly built a business plan, putting together the component parts of a consumer marketing business which took phone and internet orders. The business hinged on being able to accept credit card payments but one bank feared the operation was a scam aimed at bilking them of vast sums. It took persistent lobbying - plus a more sympathetic banker willing to do real due diligence - to finally get the business growing.

Another entrepreneur, trying to establish a facility that would permit aboriginal communities to borrow in the money markets, encountered barriers with both aboriginal and government leaders that seemed virtually insurmountable. But she persisted and slowly built a series of institutions that would bring financial discipline to potential borrowers and establish a central organization that would be able to finance the loan portfolio at competitive rates.

It took more than 10 years, but the program is now successful and has resulted in significant investment by aboriginal communities in everything from sewers and water systems to community meeting halls and recreational complexes.

These successful entrepreneurs were not afraid to seek help and to build alliances that would support their efforts as they launched their enterprises. Willingness to admit mistakes and change course is also a key trait.

One cautionary example: one of my friends found in a warehouse in the US eastern seaboard a particular product that he, as a former member of the armed services, knew and admired. So he bought a thousand, expecting a tsunami of demand. After 4 months he had sold only 4! The lesson he learned was to think long and hard to define the market for any product and to suppress his personal enthusiasm and use careful research and rational thought to avert disaster.

Assuming a successful launch, there are a few day-to-day operating practices that make long-term survival more likely. In all of the successful start-ups I have known, good information has been a critical and central requirement. This includes not just detailed records of receipts and expenditures but accurate inventory records and good customer data, including any feedback they provide. As one entrepreneur said, "Flying blind is just inviting disaster. The information may not be complete but without it I will not grow or indeed survive." All my examples spent a considerable amount of time

searching out and installing information systems suited to their particular needs.

None of these successful entrepreneurs were concerned about getting their hands dirty. When something needed to be done, no matter how menial, they pitched in regardless of the hour day or night if there was nobody else available. Opening cartons and shelving products, or fulfilling and packaging orders - all part of the job.

Finally, successful entrepreneurs have always understood the important contribution made by the people they employ. Employees must be treated with respect and kindness and listened to attentively when they make a complaint or when they share some information gained from talking with customers or suppliers. Some of the most important ideas for success of endeavours come from staff members and savvy founders reward them accordingly. As one of these innovators said to me, "Our people are our hidden asset and without them I'd be dead in the water."

Of course, not every aspiring entrepreneur has the full suite of talents and knowledge. Further, the chances for success will always be greatly influenced by the economic environment. But, a well-thought-out project with clear objectives and milestones, run by determined and focused individuals who understand the importance of finance, product, information, personnel, and customers will probably prosper even in the most difficult environments - especially with the help provided by the programs at Community Futures.

Community Futures is a non-profit community business financing organization created to support small and medium sized enterprises throughout rural BC, paving the way for diversified local economies and job creation.

[Learn more](http://goo.gl/o5BAjl) (<http://goo.gl/o5BAjl>)

