You may or may not be familiar with the term “entrepreneur.” Even if you are, you may have some misperceptions of entrepreneurs because there are many myths about them. For example, many believe that entrepreneurs only start up small business enterprises. Although many entrepreneurs set up and run small businesses, you can also apply entrepreneurial skills to other kinds of activities — within companies, within governments, running a not-for-profit organization, and so on.

Let’s take a closer look at entrepreneurs and entrepreneurship and whether or not it is an option of interest to you. Let’s start with a quick quiz. The answers follow the quiz — but try the quiz first without looking at the answers. The goal is to help you decide if being an entrepreneur is something of interest to you.

### A. Entrepreneur’s Quiz

1. Faced with a problem, the entrepreneur is most likely to:
   a) go to a close friend for help;
   b) get help from a stranger who is known to be an expert;
   c) try to work through the problem alone.

2. The entrepreneur is most like the distance runner who runs mainly:
   a) to work off energy and to keep in good physical condition;
   b) to gain the satisfaction of beating other competitors in the race;
   c) to try to better his or her previous time over the distance.

3. Entrepreneurs are motivated most by the need to:
   a) achieve a goal of greater personal importance;
   b) gain public attention and recognition;
   c) control wealth and other people.

4. Entrepreneurs believe the success or failure of a new venture depends primarily on:
   a) luck or fate;
   b) the support and approval of others;
   c) their own strengths and abilities.

5. If given the chance to earn a substantial reward, which of the following would entrepreneurs be most likely to do:
   a) roll dice with a one in three chance of winning;
   b) work on a problem with a one in three chance of solving it in the time given;
   c) do neither (a) nor (b) because the chances of success are so small.

6. The entrepreneur is most likely to choose a task:
   a) which involves a moderate level of risk but is still challenging;
   b) where the risks are high but the financial rewards are also very great;
   c) which is relatively easy and the risks low.

7. Money is important to entrepreneurs because:
   a) it allows them to develop other ideas and take advantage of other opportunities;
   b) monetary measurements provide an objective measure of how successful they have been;
   c) the main reason they accepted the risks of starting a new venture was to accumulate personal wealth.
Answers To Quiz*

**QUESTION 1:**
Entrepreneurs do tend to be independent, self-reliant individuals. They may try to work through a problem alone. They do have a high need to achieve. But successful entrepreneurs are not so focused on doing things alone that they won’t seek help when they need it.

Being a successful entrepreneur is a challenge and usually requires the help of others. Successful entrepreneurs will seek out those who can be most helpful whether they are friends or strangers. They are usually good “team-builders” and “team-leaders.” They put together the talent they need to succeed. And the need to achieve will likely be greater than the social need to work with friends. The best choice is (b).

**QUESTION 2:**
Entrepreneurs often have a great deal of energy and drive. They are usually able and willing to work for long hours. Good general physical health is necessary in order to withstand the stresses of running their own ventures. One of the risks they must evaluate is that their work will likely put physical, social, and emotional strains on them. Few entrepreneurs pursue initiatives for the good of their health although many seem to thrive on the work-related stress.

Entrepreneurs tend to compete against standards of achievement they set for themselves rather than standards set for them by others. Entrepreneurs are most like the runner who races to beat the clock. To achieve a new “personal best” time will likely be more rewarding than beating others. The best choice is (c).

**QUESTION 3:**
Those who are motivated by a need to gain attention, get recognition, and control others are motivated by power. They are more active in political life or large organizations where they concentrate on controlling the channels of communications both up to the top and down to the bottom so that they are more in charge. By contrast, entrepreneurs are motivated more by their need for personal achievement than personal power. Power and power recognition may be the result of success, but they are not usually the motivating goals for an entrepreneur. The best answer is (a).

**QUESTION 4:**
Successful entrepreneurs likely have a high level of self-confidence and “self-efficacy.” Self-efficacy is the belief in yourself that you are able to accomplish things — that you will be able to achieve goals you set for yourself. Therefore, entrepreneurs tend to believe strongly in themselves and their own abilities. They also believe that what happens to them in their lives is determined mainly by what they do — not by what others do. They are not reluctant to place themselves in situations where they are personally responsible for the success or failure of an operation. They will take the initiative to solve a problem and provide leadership where none existed before. The best choice is (c).
W*AT *IS *YOUR *LEVEL *OF *SELF CONFIDENCE *AND *SELF EF*ICACY?

\[ \begin{array}{c c c}
\text{Very Low} & \text{2} & \text{3} & \text{4} & \text{Very High} \\
\end{array} \]

\[ \begin{array}{c c c c c}
1 & 2 & 3 & 4 & 5 \\
\end{array} \]

**QUESTION 5:**

The entrepreneur is thought of as a risk taker. There are many risks involved in entrepreneurial activity. But psychological testing of entrepreneurs has indicated that they are no more motivated to do something that involves risk than anyone else. They are not daredevils or reckless gamblers.

Successful entrepreneurs are very good at assessing the amount of risk involved in a venture and will choose to accept that risk if they feel their personal chances for success are relatively high. They may well choose to do something when the odds of success are only one in three if they believe they have the abilities and experience needed to succeed.

The entrepreneur would most likely choose (b), to work on the problem even though rolling dice is obviously less work. Entrepreneurs avoid situations where the results depend mainly on chance or the efforts of others. The opportunity for personal achievement is more important than the size of the reward offered.

**QUESTION 6:**

Entrepreneurs tend to be positive, optimistic types who focus their attention on their chances of success rather than the chances of failure. Individuals who fear failure tend to select tasks that are either very easy or where the risk is very high. By selecting an easy task, the chances of failure are reduced. By selecting a task with little chance of success, failure can be rationalized, “Oh well, it was just a long shot anyway.” The entrepreneur avoids both extremes and selects those tasks that are challenging but where the opportunities for success are reasonably good. The best choice is (a).

**QUESTION 7:**

It is a popular misconception that entrepreneurs are, at heart, greedy individuals who enter into ventures for the purpose of accumulating personal wealth. Such a description would be more aptly applied to some promoter who’s a “fast buck” artist.

Entrepreneurs are driven to build a venture rather than simply to get in and out in a hurry with someone else’s money. They will enjoy the benefits of a higher income but will usually spend only a portion of their gain on personal consumption. Entrepreneurs are primarily interested in the creation, not the consumption, of wealth.

So, what is entrepreneurship? The statement below provides one definition.

*Entrepreneurship involves the recognition of opportunities (needs, wants, and problems) and the use of resources to pursue an idea for a new, thoughtfully planned venture.*

Does that describe something that interests you? Might you be a prospective entrepreneur?