

## Conquering Cyberspace

At 24, Jesse Rasch is the CEO of Webhosting.com, a company he successfully grew from scratch into a multi-million dollar corporation with more than 150 employees. Don't let his age fool you, Rasch has owned and operated businesses since he was 17. He started his latest, and most successful venture, Webhosting.com, just as the Internet started to make its presence felt in the mid-1990s. His business flourished practically overnight as international commerce began using cyberspace.

While studying business at McGill University in Montreal, Rasch took notice of the growing number of companies joining the World Wide Web. He decided to continue studying business outside the classroom by starting a company in 1996 called DynamicWeb, which specialized in Web site development and catered to Canadian Fortune 500 clients.

Rasch explains that the more the company developed sites, the more his clients began asking him to host these sites. After partnering with third-party companies in the U.S. that provided similar services, Rasch soon learned that there were not many companies that specialized in hosting services. So Rasch quickly assembled a party of computer science students to help build a platform that would allow DynamicWeb to host these Web sites and empower its customers to manage their sites through the DynamicWeb's Web browser.

His business really took off after this expansion, leaving less time to devote to business school. Rasch would drop out before graduating.

"We decided we should focus on the Web hosting exclusively and forgo the Web site development because I didn't really see an opportunity for explosive revenue in that area," says Rasch. "And I needed to tell my mother that if I was going to drop out of school, I had something that had the potential of being very, very big."

But this was not the first time Rasch had demonstrated his talents as an entrepreneur. His first business venture was at age 17, when he started an A-frame real estate installation company called Signs Upright.

"To put it in simple terms, I had a truck and I drove around on the weekends and put up real estate signs on street corners for homebuilders and developers in the Greater Toronto Area."

He later sold the company to his six employees and moved on to start another organization that

sold natural gas and other deregulated products in Canada. From an early age, Rasch had an entrepreneurial spirit that was constantly dreaming up new ideas for businesses, and he was always looking for opportunities to be his own boss.

After many entrepreneurial endeavours, it looked like his creativity and perseverance were starting to pay off. And it was only the beginning for DynamicWeb.

"When we started selling Web hosting products on the Internet, it was retail, 100 per cent," says Rasch. "[We told the companies:] we will put up a Web site for your company and we will give you Web-based tools so you can manage your E-mail accounts, security, and storefront hosting on-line, any time of the day you want. You don't have to pick up the phone and call. That differentiated us from others who could not provide that level of automation to their customers."



Already Rasch had made a better mousetrap that he could offer to his clients. Yet his real success came when he changed the company's name and domain to Webhosting.com, after a domain name conflict with another company called DynamicWeb in the U.S. in October of 1998.

"We went looking for a brand new domain name and found Webhosting.com, which is a very powerful generic domain name, and powerful generics on the Internet are very attractive because they can

yield a lot of what's called 'type-in-traffic.' People type in a domain name not knowing who will be there, but they are looking for the product based on a generic phrase that describes the product, which in our case was Web hosting."

When DynamicWeb became Webhosting.com, sales quadrupled. The company started attracting the attention of large telecommunication providers and communication-service companies such as Bell Canada and SBC Communications, who wanted to expand their services. Rasch then co-branded the technology he was using, InQuent.

"InQuent is our wholesale brand that sells to our channel partners," explains Rasch. "Webhosting.com is our retail brand."

So, from two university students, Webhosting.com grew into a lucrative business employing more than 150 people, with plans to grow to a staff of some 250 employees before 2001. His partner from day one, Michael Apted, is still with Webhosting.com as the vice president of technical strategy.

Sitting on top of the company like a proud mountaineer on top of a large summit, Rasch says that being the president and CEO of a flourishing company consumes all of his time as well as his thoughts.

"You're always thinking about the company and it's always on your mind. When you have a vested interest financially, when you have given a commitment to your employees to keep them gainfully employed, and to your customers to always deliver the best product . . . it can consume you."

With so much time spent developing his company, at the age of 24, does Rasch feel he has missed out on anything?

"Academically, no," he says. "Socially, and from a personal human development perspective, I think so. [It's worthwhile] as long as you have your eyes wide open and you're conscious of the sacrifices you need to make to grow a company, knowing that one day, hopefully, it will all pay off."

And it does seem to be paying off. Rasch just sold a 51 per cent stake in his company to SBC

Communications (the second-largest local telephone provider in the U.S.) for a record U.S.\$115 million.

While Rasch may now be on easy street, starting a company is full of challenges. He worked 18-hour days to keep a tightly held equity structure, and he originally found it very difficult to recruit the talented people he needed.

"The challenge of being able to hire smart people was very difficult, especially when you are small and your name is not in the news," says Rasch. "You have to convince people you are a stable company and that the paycheques will clear. As CEO, it really becomes a sales job and you have to spend a lot of time telling people that this is a really great place to work."

Looking back at the whole process, the upsides and the downfalls, would Rasch recommend the life of an entrepreneur to someone else?

"I don't think that everyone that goes to business school wants to be an entrepreneur," says Rasch. "I don't think that most people understand the sacrifices that entrepreneurs need to make to grow companies and I don't think that many people could deal with the uncertainties and the constant risks of that. There is great risk in having to make decisions knowing only 60 per cent of the facts but having to live with 100 per cent of the consequences. I was willing to do that."

Rasch plans to continue to build Webhosting.com into the world's largest provider of shared and dedicated Web hosting products. At the same time, he also plans to give back to the community by helping other businesses. He intends to sponsor and support other start-ups in the Greater Toronto Area and, perhaps, the rest of Canada.

As the boundaries of cyberspace continue to expand, Rasch will continue to find new ground to break and new frontiers to conquer. It may be a small world, but it keeps growing for this visionary entrepreneur. ([www.webhosting.com](http://www.webhosting.com))

Source: "Conquering Cyberspace: Jesse Rasch Takes Web Hosting by Storm," by Tara Rose, *Business Sense*. Used with permission.

## MYTHS AND REALITIES CONCERNING ENTREPRENEURSHIP

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According to noted author-lecturer-consultant Peter Drucker, entrepreneurs defy stereotyping. He states, "I have seen people of the most diverse personalities and temperaments perform well in entrepreneurial challenges."<sup>4</sup> This suggests that some entrepreneurs may be true eccentrics while others are rigid conformists; some are short and fat while others are tall and thin; some are real worriers while others are very laid-back and relaxed; some drink and smoke very heavily while others abstain completely; some are people of great wit and charm while others have no more personality than a frozen fish.

Despite all that is known about entrepreneurs and entrepreneurship, a good deal of folklore and many stereotypes remain. Part of the problem is that while some generalities may apply to certain types of entrepreneurs and certain situations, most entrepreneurial types tend to defy generalization. The following are examples of long-standing myths about entrepreneurs and entrepreneurship:<sup>5</sup>

- **Myth 1** Entrepreneurs are born, not made.  
**Reality** While entrepreneurs may be born with a certain native intelligence, a flair for innovation, a high level of energy, and a core of other inborn attributes that you either have or you don't, it is apparent that merely possessing these characteristics does not necessarily make you an entrepreneur. The making of an entrepreneur occurs through a combination of work experience, know-how, personal contacts, and the development of business skills acquired over time. In fact, other attributes of equal importance can also be acquired through understanding, hard work, and patience.
- **Myth 2** Anyone can start a business. It's just a matter of luck and guts.  
**Reality** Entrepreneurs need to recognize the difference between an idea and a real opportunity to significantly improve their chances of success. If you want to launch and grow a high-potential new venture, you must understand the many things that you have to do to get the odds in your favour. You cannot think and act like a typical bureaucrat, or even a manager; you must think and act like an entrepreneur. That often means initiating action even if conditions are uncertain and existing rules have to be pushed to the limit.
- **Myth 3** Entrepreneurs are gamblers.  
**Reality** Successful entrepreneurs only take what they perceive to be very carefully calculated risks. They often try to influence the odds by getting others to share the risk with them, or by avoiding or minimizing the risk if they have the choice. They do not deliberately seek to take more risk or to take unnecessary risks, but they will not shy away from taking the risks that may be necessary to succeed.
- **Myth 4** Entrepreneurs want to run the whole show themselves.  
**Reality** Owning and running the whole show effectively limits the potential for the business to grow. Single entrepreneurs can make a living, perhaps even a good one, but it is extremely difficult to grow a business by working single-handed. Most successful ventures typically evolve to require a formal organization, a management team, and a corporate structure.
- **Myth 5** Entrepreneurs are their own bosses and completely independent.  
**Reality** Most entrepreneurs are far from independent and have to serve a number of constituencies and a variety of masters including partners, investors, customers, employees, suppliers, creditors, their families, and pressures from social and community obligations. They do have the choice, however, to decide whether and when to respond to these pressures.

- **Myth 6** Entrepreneurs work longer and harder than corporate managers.  
**Reality** There is no evidence at all that entrepreneurs work harder than their corporate counterparts. Some do, some don't. Both are demanding situations that require long hours and hard work. However, as owners they are tied to the business and responsible in ways that are different than employees.
- **Myth 7** Entrepreneurs face greater stress and more pressures, and thus pay a higher personal price in their jobs than do other managers.  
**Reality** Being an entrepreneur is undoubtedly stressful and demanding. But there is no evidence it is any more stressful than numerous other highly demanding professional roles, such as being the principal partner in a legal or accounting practice or the head of a division of a major corporation or government agency. Most entrepreneurs enjoy what they do. They have a high sense of accomplishment. For them it is fun rather than drudgery. They thrive on the flexibility and innovative aspects of their job and are much less likely to retire than those who work for someone else.
- **Myth 8** Starting a business is risky and often ends in failure.  
**Reality** This statement is undoubtedly true in many instances. Some studies have indicated that upwards of 80 per cent of new business start-ups fail within their first five years. However, success tends to be more common than failure for higher-potential ventures because they tend to be directed by talented and experienced people able to attract the right personnel and the necessary financial and other resources.

Vince Lombardi, the well-known ex-coach of the Green Bay Packers, is famous for the quotation, “Winning isn't everything — It's the *only* thing.” But a lesser-known quote of his is closer to the true entrepreneur's personal philosophy. Looking back on a season, Lombardi was once heard to remark, “We didn't lose any games last season, we just ran out of time twice.” Entrepreneurs learn from experience and are inclined to believe they have failed if they quit.

Owning your own business is a competitive game, and entrepreneurs have to be prepared to run out of time occasionally. Businesses fail but entrepreneurs do not. Many well-known entrepreneurs experience failure, sometimes several times, before achieving success.

- **Myth 9** Money is the most important ingredient for success.  
**Reality** If the other important elements and the people are there, the money tends to follow. But it is not true that entrepreneurs are assured of success if they have enough money. Money is one of the least important ingredients of new venture success.
- **Myth 10** New business start-ups are for the young and energetic.  
**Reality** While youth and energy may help, age is absolutely no barrier to starting a business of your own. However, many people feel there is some threshold for an individual's perceived capacity for starting a new venture. Over time you gain experience, competence, and self-confidence: These factors increase your capacity and readiness to embark on an entrepreneurial career. At the same time, constraints such as increases in your financial and other obligations grow and negatively affect your freedom to choose. The trade-offs between individual readiness and these restraints typically result in most high-potential new businesses being started by entrepreneurs between the ages of 25 and 40.
- **Myth 11** Entrepreneurs are motivated solely by their quest for the almighty dollar.  
**Reality** Growth-minded entrepreneurs are more driven by the challenge of building their enterprise and long-term capital appreciation than by the instant gratification of a high salary and other rewards. Having a sense of personal accomplishment and achievement, feeling in control of their own destiny, and realizing their vision and dreams are also powerful motivators. Money is viewed principally as a tool and a way of “keeping score.”
- **Myth 12** Entrepreneurs seek power and control over other people so that they can feel “in charge.”  
**Reality** Successful entrepreneurs are driven by the quest for responsibility, achievement, and results rather than for power for its own sake. They thrive on a sense of accomplishment and of outperforming the competition, rather than a personal need for power expressed by dominating and controlling other people. They gain control by the results they achieve.

## THE ENTREPRENEURIAL PROCESS

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The successful launch of new business ventures requires a number of other components in addition to an entrepreneur. For example, while there may be any number of specific parts, virtually every new start-up also requires:

- a viable business idea or opportunity for which there is a receptive market
- an organizational structure for the business
- access to financial and other resources, and
- a distinctive strategy that, if effectively implemented, will set the business apart from its competitors and enable it to become established

As illustrated in Figure 1.1, all of these elements are outlined and captured in the business plan.

**THE ENTREPRENEUR** It all begins with the entrepreneur, the driving force behind the business and the coordinator of all the activities, resources, and people that are needed to get it off the ground. This individual will have conducted some assessment of his or her own resources and capabilities and made a conscious decision to launch the business.

**THE OPPORTUNITY** The entrepreneur must then find a concept or idea that he/she feels has the potential to develop into a successful enterprise. The concept behind the business must be carefully evaluated to determine whether there is likely to be a market, and if it might represent a viable opportunity. The object is to determine the magnitude of the returns that might be expected with successful implementation.

**ORGANIZATION** To capitalize on any business opportunity, an organizational structure must be established, with a manager or management team and a form of ownership.

**RESOURCES** Some essential financial and other resources must be obtained. The key usually is money. It is the “enabler” that makes everything else happen. Other key resources typically include physical plant and equipment, technical capability, and human resources.

**STRATEGY** Once a start-up appears likely, a specific strategy must be developed and a feasibility study conducted. The feasibility study is a way to test your business concept to see whether it actually does have market potential. It is a series of tests you should conduct to discover more and more about the nature and size of your business opportunity. After each test you should ask yourself whether the opportunity still appears to be attractive and if you still want to proceed. Is there anything that has come up which would make the business unattractive or prevent you from going forward with its implementation? Throughout this process you probably will modify your concept and business strategy several times until you feel that you have it right.

## Key points

## RULES OF THE ROAD

Sarah Jane Baxter had just graduated from hospitality studies at Ryerson Polytechnic when she realized she had a great business idea: making accessories for bicycle helmets. "The trouble was," she said, "I had no experience in any of this. For the first year or so I used to wake up in a sweat wondering what I was doing." Here are 10 smart moves she made that other start-ups would do well to follow:

1. Spot the opportunity around you
2. Bring in the experts
3. Keep your options open
4. Be prepared to work
5. Learn when to hand off to suppliers
6. Look for value-added deals
7. Expand strategically
8. Think BIG
9. Leverage relationships
10. Have a fallback

Source: Rick Spence and Richard Wright, "Canada's Hottest Start-ups," *PROFIT guide*, [www.profitguide.com](http://www.profitguide.com). Used with permission.

## Rock Bottom and Back

It's 4:00 p.m. on a Monday, and business is booming in the newest uptown Vancouver location of Cactus Club Cafe. Hip young 20-somethings lounge in leather armchairs at tables surrounding a massive centrepiece mahogany bar, drinking Cactus Bellinis, a peach/rum/champagne/sangria slurpie billed as "better than sex." Others relax in plush leather booths next to massive windows framed with crushed velvet drapes. Still others gather around glowing-eyed gargoyle fountains, kibitzing with service staff as they sample diverse cuisine, ranging from jerk chicken and sea-salted fries to the Millionaire's Cut filet mignon.

It's an opulent yet informal, eclectic atmosphere that's become the tongue-in-cheek trademark of restaurateurs Richard Jaffray and Scott Morison. From the bawdy paintings in heavy gilt frames to the glass-enclosed courtyard, river-rock fireplaces and signature moose heads, the new \$1.8-million restaurant is fanciful and fun. And that's a key component in Cactus Club's recipe for success, says Jaffray. The other ingredients? Innovative, high-quality food at a reasonable price, he says, and a service culture bent on entertaining customers. It's a formula that's

proving popular with West Coast consumers, fuelling Cactus Club's growth into a 10-chain restaurant with 1998 sales of \$20 million — up from \$17 million in 1997.

But that success hasn't come without challenges. In 1996 an overzealous expansion into Alberta



PERRY ZAVITZ



brought the company to the brink of ruin. Opening four restaurants in less than 15 months without adequate research and preparation proved nearly fatal, says Jaffray. Undaunted by the near-disaster, the ambitious partners rolled up their sleeves to retrench and reorganize. The firm's 1999 sales are expected to climb to \$24 million, says Jaffray, and the partners have set Cactus Club on a new course for steady yet cautious growth. Their long-term goal? No less than 200 restaurants across Western Canada and the U.S. in the next 20 years. "Our objective," says Jaffray, "is to be the best upscale, casual, fun restaurant in North America." A lofty ambition, perhaps, but one the partners are confident they can meet by learning from their past mistakes and adhering to the first rule of business: know thy customers.

In fact, that axiom was instrumental in Jaffray's decision to abandon his initial idea of launching a company that would offer party cruises upon arriving in Vancouver from Calgary in 1984. After living in his '74 Dodge Dart at a local beach for a month, he discovered that Vancouver's often inclement weather isn't well suited to cruising.

Instead Jaffray began waiting tables for Earl's Restaurants Ltd., a popular family-restaurant chain. It was there he met Morison, a fellow waiter and would-be entrepreneur. Eager to strike out on their own, two years later the then 21-year-olds hatched a plan to capitalize on the popularity of Expo 86, launching an ice cream and cappuccino bar called Café Cucamongas.

Revenues reached \$250,000 in the first year, enough to attract the attention of the pair's former boss at Earl's, Stan Fuller. Impressed with the duo's enthusiasm and commitment, Fuller approached them in 1987 about a potential partnership in a new restaurant geared to a younger clientele. His timing was perfect, since Jaffray and Morison were already looking beyond Cucamongas. It was win-win, explains Jaffray. The partnership provided them with the capital they needed to develop a full-scale restaurant chain, plus access to Fuller's expertise and experience. In return, Earl's got an investment in a new market without having to manage it. The pair were even given access to Earl's budgets and financial statements. "It allowed us to see some of the inner workings of another organization," says Jaffray, "and the struggles they were going through."

Morison and Jaffray sold Cucamongas and wrangled a \$225,000 bank loan, giving them enough cash to finance their half-share in the new venture. In March 1988, the first Cactus Club Café opened in club-starved North Vancouver. The concept was simple: to combine the best attributes of a pub, restaurant and nightclub in a single nightspot. The vision, says Jaffray, was to establish a restaurant that would become a local neighborhood handout,

with its own character and vitality. A place where the food and atmosphere would entice customers into making a full night of it — not merely stop in for a drink or dinner.

Cactus Club seemed to fit the bill. Its quirky decor, music, party atmosphere and progressive menu proved popular with hip consumers. The menu featured Vancouver firsts such as tortilla wraps and microbrewed beer on tap. Staff, hired as much for their outgoing personalities as their waiting skills, were encouraged to engage and entertain customers. One waiter proved especially adept, for instance, at organizing an impromptu limbo contest. By 1995 Cactus Club had grown to include five restaurants in the lower mainland. "We could do no wrong," says Jaffray.

Emboldened, in 1996 Jaffray and Morison decided to branch out, opening four Cactus Clubs, two each in Calgary and Edmonton. "Within six months, we knew we were headed for trouble big time," says Jaffray. "Six months later, it all fell apart."

What went wrong? "Everything," says Jaffray. For starters, restaurant locations were chosen not by market research as they were in B.C., says Jaffray, but by price. They tweaked their original concept and ended up with more of a bar than a fun eatery. A longtime practice of grooming existing staff to take over the management of new restaurants was abandoned; they neglected to take into account local cultures such as Edmonton's tradition of "happy hour" discount drinks. Plus, they charged B.C. prices — 10% to 20% above local price points — despite the fact that Alberta costs were lower. Unimpressed by the West Coast whiz kids, customers stayed away.

Staunching mounting losses in Alberta consumed the pair's attention. The inevitable result — sales flatlined and even dropped for their B.C. locations. "We were trying to put out a fire in the corner," says Jaffray, "but in the meantime the whole house was burning down." Within a year of opening in Alberta, they realized they would have to cut their losses or lose everything.

In the end, three of the four Alberta locations were closed. "The whole exercise cost about \$3 million," says Jaffray. "We've been paying it off for four years."

Fuller is impressed with the pair's courage. "To their credit, they rolled up their sleeves and changed direction," he says. "They went back to what they knew and then made it better, and worked themselves out of the hole." Indeed, getting back on track meant building change into the company's overall management philosophy. The menu for example, which had remained the same for two years, is now changed twice a year. Menu covers are updated every six weeks. To foster a team spirit and keep their 800 employees informed on the company's

progress, Jaffray and Morison now practice open-book management. Staff are encouraged to use their own creativity when it comes to service, and managers are responsible for establishing and regularly updating goals. These initiatives seem to be working. Today Cactus Club's nine restaurants are all profitable, and posting annual sales increases of 5% to 22% for the past three years.

While Jaffray and Morison remain cautious about

again expanding into a new market, they aren't overly worried. They've been through this before. "Had we not gone right to the very bottom, I don't think we'd be as successful as we are today," says Jaffray. "We now know all the things that can go wrong."

Source: Diane Luckow, "Rockbottomandback," *PROFIT*, April, 1999, pp. 53-55. Reprinted with permission.

## FIGURE 2.1 ENTREPRENEURIAL QUIZ

Below are a number of questions dealing with your personal background, behavioural characteristics, and lifestyle patterns. Psychologists, venture capitalists, and others believe these to be related to entrepreneurial success. Answer each question by placing an X in the space that best reflects your personal views and attitudes. The most important result of this exercise will be an honest, accurate self-assessment of how you relate to each of these dimensions.

	<b>Rarely or no</b>	<b>Mostly or yes</b>
1. Are you prepared to make sacrifices in your family life and take a cut in pay to succeed in business?	_____	_____
2. Are you the kind of individual that once you decide to do something you'll do it and nothing can stop you?	_____	_____
3. When you begin a task, do you set clear goals and objectives for yourself?	_____	_____
4. When faced with a stalemated situation in a group setting, are you usually the one who breaks the logjam and gets the ball rolling again?	_____	_____
5. Do you commonly seek the advice of people who are older and more experienced than you are?	_____	_____

	<b>Rarely or no</b>	<b>Mostly or yes</b>
6. Even though people tell you "It can't be done" do you still have to find out for yourself?	_____	_____
7. When you do a good job, are you satisfied in knowing personally that the job has been well done?	_____	_____
8. Do you often feel, "That's just the way things are and there's nothing I can do about it"?	_____	_____
9. Do you need to know that something has been done successfully before, prior to trying it yourself?	_____	_____
10. Do you intentionally try to avoid situations where you have to converse with strangers?	_____	_____
11. Do you need a clear explanation of a task before proceeding with it?	_____	_____
12. Are you a good loser in competitive activities?	_____	_____
13. After a severe setback in a project, are you able to pick up the pieces and start over again?	_____	_____
14. Do you like the feeling of being in charge of other people?	_____	_____
15. Do you enjoy working on projects which you know will take a long time to complete successfully?	_____	_____
16. Do you consider ethics and honesty to be important ingredients for a successful career in business?	_____	_____
17. Have you previously been involved in starting things like service clubs, community organizations, charitable fund-raising projects, etc.?	_____	_____
18. Did your parents or grandparents ever own their own business?	_____	_____
19. When you think of your future do you ever envision yourself running your own business?	_____	_____
20. Do you try to do a job better than is expected of you?	_____	_____
21. Do you make suggestions about how things might be improved on your job?	_____	_____
22. Are you usually able to come up with more than one way to solve a problem?	_____	_____
23. Are you between 25 and 40 years of age?	_____	_____
24. Do you worry about what others think of you?	_____	_____
25. Do you read a lot of books, particularly fiction?	_____	_____
26. Do you take risks for the thrill of it?	_____	_____
27. Do you find it easy to get others to do something for you?	_____	_____
28. Has someone in your family shared his or her experience in starting a business with you?	_____	_____
29. Do you believe in organizing your tasks before getting started?	_____	_____
30. Do you get sick often?	_____	_____
31. Do you enjoy doing something just to prove you can?	_____	_____
32. Have you ever been fired from a job?	_____	_____

*Entrepreneurial Quiz — continued*

	<b>Rarely or no</b>	<b>Mostly or yes</b>
33. Do you find yourself constantly thinking up new ideas?	_____	_____
34. Do you prefer to let a friend decide on your social activities?	_____	_____
35. Did you like school?	_____	_____
36. Were you a very good student?	_____	_____
37. Did you "hang out" with a group in high school?	_____	_____
38. Did you actively participate in school activities or sports?	_____	_____
39. Do you like to take care of details?	_____	_____
40. Do you believe there should be security in a job?	_____	_____
41. Will you deliberately seek a direct confrontation to get needed results?	_____	_____
42. Were you the firstborn child?	_____	_____
43. Was your father or another older male generally present during your early life at home?	_____	_____
44. Were you expected to do odd jobs at home before 10 years of age?	_____	_____
45. Do you get bored easily?	_____	_____
46. Are you sometimes boastful about your accomplishments?	_____	_____
47. Can you concentrate on one subject for extended periods of time?	_____	_____
48. Do you, on occasion, need pep talks from others to keep you going?	_____	_____
49. Do you find unexpected energy resources as you tackle things you like?	_____	_____
50. Does personal satisfaction mean more to you than having money to spend on yourself?	_____	_____
51. Do you enjoy socializing regularly?	_____	_____
52. Have you ever deliberately exceeded your authority at work?	_____	_____
53. Do you try to find the benefits in a bad situation?	_____	_____
54. Do you blame others when something goes wrong?	_____	_____
55. Do you enjoy tackling a task without knowing all the potential problems?	_____	_____
56. Do you persist when others tell you it can't be done?	_____	_____
57. Do you take rejection personally?	_____	_____
58. Do you believe you generally have a lot of good luck that explains your successes?	_____	_____
59. Are you likely to work long hours to accomplish a goal?	_____	_____
60. Do you enjoy being able to make your own decisions on the job?	_____	_____
61. Do you wake up happy most of the time?	_____	_____
62. Can you accept failure without admitting defeat?	_____	_____
63. Do you have a savings account and other personal investments?	_____	_____
64. Do you believe that entrepreneurs take a huge risk?	_____	_____
65. Do you feel that successful entrepreneurs must have advanced college degrees?	_____	_____

	<b>Rarely or no</b>	<b>Mostly or yes</b>
<b>66.</b> Do you strive to use past mistakes as a learning process?	_____	_____
<b>67.</b> Are you more people-oriented than goal-oriented?	_____	_____
<b>68.</b> Do you find that answers to problems come to you out of nowhere?	_____	_____
<b>69.</b> Do you enjoy finding an answer to a frustrating problem?	_____	_____
<b>70.</b> Do you prefer to be a loner when making a final decision?	_____	_____
<b>71.</b> Do your conversations discuss people more than events or ideas?	_____	_____
<b>72.</b> Do you feel good about yourself in spite of criticism by others?	_____	_____
<b>73.</b> Do you sleep as little as possible?	_____	_____
<b>74.</b> Did you ever have a small business of your own while in school?	_____	_____

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Adapted from Judy Balogh et al., *Beyond a Dream: An Instructor's Guide for Small Business Explorations* (Columbus: Ohio State University, 1985), pp. 26–28.



## ANSWERS TO THE ENTREPRENEURIAL QUIZ

The answers provided in Table 2.1 for the Entrepreneurial Quiz represent the responses that best exemplify the spirit, attitudes, and personal views of proven, successful entrepreneurs. Here they are *not* arranged in numerical order (1–74) but by the characteristic that they are measuring (personal background, behaviour patterns, and lifestyle factors).

**TABLE 2.1** ANSWERS TO ENTREPRENEURIAL QUIZ

### Personal Background

<i>Most Desirable Response</i>	<i>Question Number</i>
Rarely or No	30, 36, 37, 43
Mostly or Yes	17, 18, 23, 28, 32, 35, 28, 42, 44, 74

### Behaviour Patterns

<i>Most Desirable Response</i>	<i>Question Number</i>
Rarely or No	8, 9, 10, 11, 12, 14, 24, 39, 40, 48, 54, 57, 64, 65
Mostly or Yes	2, 4, 5, 6, 7, 13, 16, 20, 21, 22, 26, 27, 29, 31, 33, 41, 45, 46, 47, 49, 50, 52, 53, 55, 56, 58, 60, 61, 62, 66, 68, 69

### Lifestyle Factors

<i>Most Desirable Response</i>	<i>Question Number</i>
Rarely or No	25, 34, 51, 67, 71
Mostly or Yes	1, 3, 15, 19, 59, 63, 70, 72, 73

## WHAT IS YOUR SCORE?

Answering this questionnaire will let you determine the extent to which your responses match those that best exemplify the spirit, attitudes, and personal views of proven, successful entrepreneurs. To determine your score, count the number of your responses that appear to be correct in Table 2.1 and mark it in Table 2.2. Your responses in Table 2.2 have also been arranged by the characteristic they are measuring (your personal background, behaviour patterns, and lifestyle factors).

**TABLE 2.2** SELF-ASSESSMENT: RESULTS

	Number of Most Desirable Responses
Your Personal Background	/14
Your Behaviour Patterns	/46
Your Lifestyle Factors	/14
Total Number of Most Desirable Responses	/74

## WHAT DOES YOUR SCORE MEAN?

The Entrepreneurial Quiz is *not* intended to predict or determine your likely success or failure. However, if you answer and score the questionnaire honestly, it will provide considerable insight into whether you have the attitudes, lifestyle, and behavioural patterns consistent with successful entrepreneurship.

The higher your number of most desirable responses, the more your responses agree with those of successful entrepreneurs. High levels of agreement indicate that you *may* have the “right stuff” to succeed in an entrepreneurial career. You should make certain, however, that your responses reflect your real opinions and attitudes.

The word *may* is highlighted above because of the overwhelming importance of one particular set of attributes/characteristics: commitment, determination, and perseverance. Scoring well on the test is not necessarily a guarantee of entrepreneurial success. Anything less than total commitment to your venture, and considerable determination and perseverance, will likely result in failure, regardless of the degree to which you may possess other important attributes. Your total commitment and determination to succeed helps convince others to “come along for the ride.” If you are not totally committed, both financially and philosophically, to the venture, it is unlikely that potential partners, your employees, bankers, suppliers, and other creditors will have the confidence in you to provide the level of support your business will require.