

Building an Entrepreneurial Skillset



Philip Dennett

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Chapter 1

Made or Born?

Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks--in terms of time, equity, or career; the ability to formulate an effective venture team; the creative skill to marshal the needed resources; the fundamental skill of building a solid business plan; and, finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion. (Kuratko, 2007).

Not all people starting out in their own businesses set out to become entrepreneurs, and nor do they want to. For many, the business is an opportunity to earn an income free from the constraints of corporate life; for others it's a necessity after redundancy or unemployment.

Having run my own companies and also worked at high levels in the corporate world, I have long been intrigued by the question of "what makes a good entrepreneur?" The statistics tell us that less than one in five new businesses last more than a year or two. Do these people lack the experience? Perhaps they are undercapitalised? Maybe they suffered from a lack of planning?

Some or all of those things can be factors, but is there a blueprint for success? Or, at least a way of stacking the odds in your favour? After spending the last few years thinking, observing, and researching this topic

I have come to the conclusion that there is a blueprint – a way of thinking and operating that will help you improve your outcomes.

My blueprint focuses on ways of building individual capacity around creativity, innovation, and entrepreneurship. It consists of three Pillars:

- Psychological Capital (who you are)
- Human Capital (what you know)
- Social Capital (who you know)

And, it identifies the relative influences and forces that make up each Pillar to assist individuals to assemble their “capital” in a way that will work for them. In other words, it’s not a one-size-fits-all solution that will guarantee wealth and success; it’s a template to help you build a Success Plan.

Need for change

Many of the services provided to entrepreneurs and small business start-ups provide only a base level of information and training, ignoring the fact that each person presents with differing levels of psychological, human and social capital. Typical business advisory services often fail to add significant value. Firstly, they focus on pre-packaged services they have to offer rather than what the business owner really needs; and, secondly, ‘the service provider culture is often fragmented and characterised by program silos that have little contact with one another.’ (Emery et al, 2004)

Emery et al offer a solution by proposing that ‘instead of relying on outside assistance and rotating programs, they must broker these opportunities within the community to make sure entrepreneurs get the help they need.’

As CEO of a business advisory service I was repeatedly dismayed to hear people say that they had joined a program to learn how to be a successful businessperson when the program was just offering to teach them how to write a business plan or the basics of marketing or finance. All these things

are, of course, important in filling in specific knowledge gaps but that is only one small part of the equation.

I think Lichtenstein et al (2004) summed it up best when they identified 8 shortcomings in enterprise development activities:

- ‘activities are tool-driven, not needs-focused
- activities are fragmented and categorical
- there is too little focus on execution
- the learning cycle is broken
- the focus is placed on the business, not the entrepreneur
- there is a missing function – responsibility for the community’s supply of entrepreneurs
- funders, not clients, drive the operations
- the impact is not scalable.’

Trying to identify best practice is also misguided: ‘because there are no practices that are best for everyone, in all cases, at all times. Instead the goal should be to identify “successful” practices and to specify the conditions under which they are or have been successful.’ (Lichtenstein et al, 2004),

Other authors have found that rather than focussing on functional skills, assistance in the form of “access” is more useful. For example, Shanklin & Rayns (1998) found that the 5 necessities in terms of assistance for entrepreneurs are:

- ‘finding loans to initiate operations
- developing proforma financial statements
- conducting market research
- soliciting equity; and
- lining up a suitable location for doing business.’

To me this points to a need to develop “real life” assistance programs that provide access to information, people, skills and money where and when they are needed. The problem is not the lack of those resources but the fact that the budding entrepreneur is not always sure of what he, or she, needs. They also don't know where to go to find it and this is exacerbated by the fact that rarely are resources in a single place.

Henry et al (2004) maintain that entrepreneurship is both an art and a science: ‘The science part, which involves the business and management functional skills, appears to be teachable using a conventional pedagogical approach. On the other hand, the art part, which relates to the creative and innovative attributes of entrepreneurship, does not appear to be teachable in the same way.’

As you read on, start writing a list of psychological, human, or social “capital” items you feel you need to help build your Success Plan.

Chapter 2

Psychological Capital: who are you?

Is there a particular “type” of person who makes the best entrepreneur? Is Richard Branson the same “type” of person as Bill Gates? Take any two entrepreneurs you know and line them up side by side and I’m sure you’ll come up with more differences than there are similarities. However there are a few obvious traits that they seem to share and arguably one (in my opinion) that is present in them all: Passion:

‘...it can transform the most insignificant product into a must-have. It has the power to give an intensity to a relationship that will carry it through good times and bad.’ - Kevin Roberts, CEO, Saatchi & Saatchi

‘Here’s to the crazy ones. The misfits. The rebels. The troublemakers. The round pegs in the square holes. The ones who see things differently. They’re not fond of rules and they have no respect for the status quo. You can quote them. Disagree with them. Glorify, or vilify them. About the only thing you can’t do is ignore them. Because they change things. They push the human race forward. And while some might see them as the crazy ones, we see genius. Because the people who are crazy enough to think they can change the world, are the ones that do.’ -Apple Computer, Think Different television commercial

People who are passionate about what they do tend to overcome obstacles that would otherwise stop them in their tracks. Your passion doesn’t have to be about the work itself, it could equally be about “being successful” or even “being respected”. However it is essential to harness your passion to keep you motivated to achieve your goals.

Paul Fussell (1983), in outlining a new phenomenon he describes as the X Class, encapsulates the entrepreneurial spirit when he says, ‘... the middle class person is “always somebody’s man,” the X person is nobody’s... X people are independent-minded ... They adore the work they do, and they do it until they are finally carried out, “retirement” being a concept meaningful only to hired personnel or wage slaves who despise their work.’

Of course this single-minded focus is likely to produce unbalancing pressures in your life and that’s why, for many, the price is too high. However, if you can understand this and “manage” it at the same time as pursuing your passion, you’re on your way!

5 key traits

There has been much research into identifying common entrepreneurial traits. For me, there are 5 that an entrepreneur should, or would benefit from having:

- proactive behaviour
- self directed learning
- risk taking propensity
- achievement orientation
- resiliency

You could argue that strength in one or more might overcome weakness in another, but the purpose of this discussion is to provide a means of estimating the overall strength of your psychological capital and consequently show you the gaps to focus on for improvement.

Being proactive

This might seem to be self-evident but a propensity to take action is a vital starting point. There are many people (including me) who have had a great idea but have failed to act and find out later that someone who had

the same idea (probably at the same time) has gone on to make a success of it.

Some years ago, when the Internet was young, my wife and I moved countries. She was finding it difficult to be so far away from family so I built a personal website for her where she could upload photos and keep a diary of things that friends and family might find interesting. Now at the time I ran my own small advertising agency and we had a number of clients for whom we created web-based and interactive type communications. I thought then that what I had created for my wife could be useful to others, but I “failed to act”. Not only that but my thinking was restrained by my current experience using the web as a business tool and not thinking of it as a platform for creating wealth. Facebook anyone?

A word of warning though. Being proactive is not about jumping in blindly; it's about doing things differently (like in the Apple commercial) and being organised. Bateman & Crant (1999) identify 7 proactive behaviours that provide a useful guide:

- Scan for change opportunities
- Set effective, change-oriented goals
- Anticipate and prevent problems
- Do different things, or do things differently
- Take action
- Persevere
- Achieve results

Self-direction

This is the biggie. The one that out ranks the others. If you have no drive to find out things and solve problems for yourself then entrepreneurship is not for you!

Krueger, 2006 (citing Guglielmino & Klatt, 1993) maintains that evidence suggests 'that entrepreneurs, especially successful (expert) ones, have above-average skills with respect to self-directed learning'. In other words entrepreneurs have enquiring minds, wanting to 'prove' information/learning themselves rather than accept the word of others (even experts).

Taylor et al (2004) reporting on the Windsor Meetings 2000, said there was general agreement amongst delegates that 'essential skills for entrepreneurs included problem solving and people management rather than specific knowledge related to marketing, accounting and legal issues.' They go on to discuss the need for an action learning pedagogy, which they say, should be 'centred around a small group of participants.' While this makes sense in terms of making learning relevant to the individual, it presents logistical and financial problems for governments in designing assistance programs. A one size fits all approach is easy to design and relatively inexpensive to administer. It is also easy to test "value" by asking participants whether or not they increased their knowledge of marketing, finance, planning, or whatever.

Taylor and colleagues experience in running such a program (NESS) tackled the problem of developing an effective action learning framework: 'Conceptually, we recognised the individuality of the entrepreneurs and saw them as problem solvers and decision makers and we chose not to prescribe a remedy or checklist for how to run a business. While recognising the value of traditionally taught business-related subjects, we wanted participants to identify for themselves the skills they needed and to take ownership of the content of their learning.'

The program was very successful (as measured by participant feedback). In particular the participants enjoyed being part of a 'learning community'. Specifically:

- freedom to use university facilities;
- motivation gained from like-minded people;
- insights gained from mentors.

More proof of success came from the participants founding an Entrepreneurs Networking Club.

Rock & Schwartz, 2006 provide neuroscientific support for the value of self-directed learning: 'For insights to be useful they need to be generated from within, not given to individuals as conclusions. This is true for several reasons. First, people will experience the adrenaline-like rush of insight only if they go through the process of making the connections themselves.'

It is this lack of a "rush of insight" that affects many people's ability to take a good idea and make a business out of it. Don't just take my word for it – prove it for yourself!

Risks

There is disagreement amongst researchers regarding an entrepreneur's risk taking propensity. Some argue that they will take more risks than a manager would, others say their assessment of risk is more considered, for example, Norton & Moore (2006) argue that 'entrepreneurs do not necessarily engage in riskier behaviour than nonentrepreneurs. Rather, entrepreneurs may assess risk differently.'

I think it is this last point that outsiders looking in fail to appreciate. Sure there are some spectacular failures as a result of taking excessive risks, but often they will be a result of a lack of rigorous risk assessment resulting in failure that with planning may have been avoided.

So rather than avoid risks, embrace them, analyse them, and make plans to mitigate them.

Achievement

Napoleon once said that the secret to his success was that he learnt that men would die for ribbons. What he meant was that people will achieve the greatest things for the “congratulations” of their fellows. In the corporate world such recognition comes in the form of promotion, bonuses, or other accolades.

Oftentimes for the entrepreneur, there are no external accolades; they are more likely to hear the loud voices of the doomsayers. To overcome this it is important to have a high degree of self-direction and a huge store of passion for what you are doing. Social Capital in the form of networks of like-minded people is also critical.

Resiliency

Many very successful entrepreneurs have a record of past failures. Thomas Edison failed hundreds of times with ideas to create the light bulb. A journalist once asked him why he persevered and he responded that he didn't view those attempts as failures and that he had instead successfully found xxx ways that didn't work and was therefore much closer to the right answer.

Glass half full, or half empty?

Psychological Capital measurements

At a recent conference I came across some research from the Centre for Application of Psychological type which found a strong correlation between fast growing companies and two CEO temperament types: in Myers-Briggs terminology, these were the Sensing-Thinking-Judging (STJ) and, even more important, the Intuitive-Thinking-Judging (NTJ) groups. The two temperaments represented about 25% of the total population but

accounted for 75% of the leadership in a study of Inc magazine's 500 fastest growing companies.

It's worth taking a Myers-Briggs test and seeing what your 'natural' type is. If it is one of the above then you probably have a head start. If it's not, don't despair focus on strengthening or developing the traits we have discussed in this chapter.

Discussion about other relevant measures of some of the traits outlined here can be found in:

- Bateman and Grant (1999) – they discuss the importance of having a proactive personality and include excerpts from interviews with many entrepreneurs.
- D'Intino et al (2007) discuss measurements of self-leadership skills, in particular, the value of having an 'optimistic, explanatory style'.
- Hornaday and Aboud (1971), cited by Smith-Hunter et al (2003), found that entrepreneurs scored significantly higher than the general population on the EPPS (Edward's Personal Preference Scale), reflecting the need for achievement, on the SIV (Survey of Interpersonal Values) scale for independence and effectiveness of leadership. And they scored lower on the SIV need for support scale.
- Jensen and Luthans (2006) use a modified Life Orientation Test (optimism) a resiliency measure and a state hope scale to give an overall measure of positive psychological capital.
- Seligman (2004), in discussing positive psychology, talks about 3 lives: the Pleasant life, the Good life, and the Meaningful life. i.e. positive emotions + strengths, virtues and talents + positive institutions = positive outlook.

Chapter 3

Human Capital: what do you know?

If your parents were like mine they would have impressed upon you the importance of having a University education as a means to make a success of your life. However that is only half the story. According to Kent, Saxton and Vesper (1982) as cited by Smith-Hunter et al (2003) 'the most likely entrepreneurs to fail would be those with experience but no education' and 'the second most likely entrepreneurs to fail would be those with education, but no experience'.

Experience first? While I agree, I think the best bet is a combination of the above. The most important thing I learned at university was how to think and to always look for the second right answer. When I was younger I had a tendency to look only as far as the first likely solution, whereas with more effort...

Experience is not what happens to you, experience is what you do with what happens to you.

Dimov (2007) suggests that 'knowledge may be a necessary but not sufficient condition for the recognition of opportunities; rather, it is intertwined with the way it is applied and extended in particular situations'.

I have often heard that “so-and-so owes his success to his upbringing and social standing”. Yet many successful entrepreneurs have very poor backgrounds. I like Epictetus’ (Greek Stoic philosopher) take on this subject: Experience is not what happens to you, experience is what you do with what happens to you. Epictetus could have been describing an entrepreneur! (Discourses 4.12.7–8, trans. Dobbin).

While knowledge and experience are both important it is the ability to apply them in new ways and combinations that turn them into entrepreneurial ammunition. If you lack knowledge – seek it out: take courses, ask advice, become an expert at information searching on the Internet. If it’s experience you lack: get work experience in the field you have chosen (work for nothing if necessary), ask experts to share their own experience, employ people who have the skills you need to work with you in your new venture.

Chapter 4

Social Capital: who do you know?

An entrepreneur is working in a constantly changing environment as he/she attempts to turn an idea into a successful business. Because of this they will make use of different forms of social capital at different times depending on need; therefore rather than focussing on the relative influence of different forms of social capital, look instead at an entrepreneur's level of knowledge about the types of social capital and the ways in which they can be leveraged.

The discussion on social capital is characterised by the work of sociologists, on the one hand, and economists on the other. Sociologists take the view that 'action is governed by social norms, rules, and obligations', while economists view 'the actor as having goals independently arrived at, as acting independently, and as wholly self-interested' (Coleman, 1988).

I prefer the more utilitarian approach to the discussion espoused by Adler & Kwon (2002) that social capital is, in fact, similar to many other forms of capital and has both benefits to the "owner" as well as to the group. In defining social capital they say that the 'core intuition' guiding social capital research is 'that the goodwill that others have towards us is a valuable resource'. In other words: you scratch my back and I'll scratch yours.

Nahapiet & Ghoshal (1998), in attempting to clarify the scope of social capital, propose three dimensions:

- structural

- relational
- cognitive

They define the structural dimension as referring 'to the overall pattern of connections between actors'; the relational dimension 'to refer to those assets created and leveraged through relationships'; and the cognitive dimension 'refers to those resources providing shared representations, interpretations, and systems of meaning among parties.'

The social capital accruing under each of the dimensions above can further be categorized as being tangible or intangible. Hanlon & Saunders (2007) maintain that 'the majority of support received by entrepreneurs appears in the form of intangibles such as emotional support or acting as a sounding board', whereas tangible resources like financial assistance 'often requires the entrepreneur to incur costs and expend significant effort'.

Complexity

Complexity is also an issue in assessing the value of your social capital. It is not just how many other people you can call upon for assistance, it is also the interrelationships between all parties that can add exponential value. Coleman (1988) uses the example of the wholesale diamond market in New York:

In the process of negotiating a sale, a merchant will hand over to another merchant a bag of stones for the latter to examine in private at his leisure, with no formal insurance that the latter will not substitute one or more inferior stones or a paste replica. The merchandise may be worth thousands, or hundreds of thousands, of dollars. Such free exchange of stones for inspection is important to the functioning of this market. In its absence, the market would operate in a much more cumbersome, much less efficient fashion.

This is similar to a closed-user group of software developers. By working together and sharing code there is an opportunity for all users to benefit by having access to the experience of colleagues. This presupposes a level of trust and common good in the group.

More novel information flows to individuals through weak than strong ties

For the entrepreneur then, he or she must have access to a web of interrelated actors rather than just to individual strands. The stronger the web the more likely it is for the “capital” to be beneficial to all parties.

Granovetter (2005) while broadly agreeing with the above structure also points out the importance of the strength of weak ties, ‘More novel information flows to individuals through weak than strong ties. Because our close friends tend to move in the same circles we do, the information they receive overlaps considerably with what we already know. Acquaintances, by contrast, know people that we do not and, thus, receive more novel information.’

The Creative class

“It’s not hard to create a ghetto, just remove the capable neighbours. To produce a substandard school system, withdraw the students of achieving parents. To create a culture of chronically dependent people, merely extract the upwardly mobile role models from the community.” (Bob Lupton, Atlanta community developer). Similarly, to create an economically recessive community, simply remove (or don’t support) entrepreneurs and the “creative class”.

Richard Florida, in his book, *The Rise of the Creative Class*, maintains that the key to economic growth lies not just in the ability to attract the creative class, but to translate that underlying advantage into creative economic outcomes in the form of new ideas, new high tech businesses and regional growth. Florida says that the distinguishing characteristic of the creative class is that its members engage in work whose function is to create “meaningful new forms”. He describes the core of the class as scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers and architects, as well as the “thought leadership” of modern society: nonfiction writers, editors, cultural figures, think-tank researchers, analysts and other opinion makers. Florida also includes “creative professionals” who work in a wide range of knowledge-intensive industries.

I like the concept of a Creative Class because it describes a potential network that is not based on specific industries but is based around a “way of thinking”. Accessing these kinds of networks overcomes the homogenous thinking that is often a part of industry based ones. In my experience, it also forces you to think differently about what you already know and can lead to major breakthroughs.

Chapter 5

Developing Entrepreneurs

For policymakers the development of entrepreneurial enterprises is a critical part of economic success. However, many focus on providing free courses on how to run a business which often has little impact on outcomes. A typical example is the City of Littleton, in Colorado which started by developing a 13 part seminar series to bring state of the art business practices to the city. Their focus was on innovation. Unfortunately, according to Economic Development Manager, Chris Gibbons, the training approach was a waste of time: ‘Anyone who has ever dealt with trying to make superstars out of small business people knows the truth of this statement.’

Today the Littleton Economic Gardening model has three main elements:

1. Information

They use sophisticated tools to develop marketing lists, competitive intelligence, industry trends, new product tracking and legislative research to answer business questions. They also use GIS software to map customer clusters as well as demographic, lifestyle and consumer expenditure information. This is complemented by seminars in advance management techniques such as systems thinking, temperament, complexity theory and customer service strategies.

2. Infrastructure

The focus is not just basic physical infrastructure but quality of life and intellectual infrastructure which are critical to Richard Florida’s idea of the “creative class”.

3. Connections

Connections to trade associations, think tanks, academic institutions, industry clusters and CEOs.

Developing an entrepreneurship model for economic development

The experience at Littleton (and other places) is that only a very few (3-5%) companies being started are high-growth, with the majority of the rest being started for lifestyle reasons or just to earn a “wage” for the proprietors. The challenge for government is to develop programs relevant to the local context, that:

- Identify the creative entrepreneurs who have the right temperament to make success more likely. (Psychological Capital)
- Provide them with the right information to enable them to make informed strategic choices for future growth. (Human Capital)
- Upskill with training specific to their needs. (Human Capital)
- Support them through providing experienced mentors who can guide them in building a supportive network. (Social Capital).

An example of this kind of approach is Ireland’s entrepreneurship policy (Forfas, 2007). Their Vision states:

‘Ireland will be characterised by a strong entrepreneurship culture, recognised for the innovative quality of its entrepreneurs, and acknowledged by entrepreneurs as a world-class environment in which to start and grow a business.’

The Irish vision is focused on the entrepreneur rather than the firm itself, and rather than being satisfied with a simple measure of net businesses started, their key focus is ‘on maximising the number of start-ups aspiring to and achieving high growth.’

The key elements of their program are:

- Developing a conducive environment – pro-business government policies; social inclusion; vibrant regional economies; deepen competitive advantage in a knowledge economy.
- Harnessing culture and education – fostering a spirit of enterprise; proactive reinforcement through education (entrepreneurship concepts and credibility); positive media interest and goodwill; developing entrepreneurial ambassadors.
- Encouraging entrepreneurial activity among women and immigrants.

The Irish policy is in agreement with the targeted approach to entrepreneurial support outlined above. It recognises that: ‘all new businesses are not the same. They may be differentiated by the growth ambitions of their entrepreneurs, their degree of innovativeness and by their international focus.’

The policy specifically states that Ireland should dedicate ‘the greatest amount of resources in a targeted manner to support innovative and growth entrepreneurs’.

If you are a policymaker, I challenge you to look at your own programs in this light.

Further reading

- Hess and Adams (2007) identify the following key factors involved in contributing to a climate that fosters innovation: ‘local leadership; institutional capacity; trust relations; the significance of history and narratives; local area data; network relations and a recognition of interdependence between the worlds of social, economic, natural and human capital.’
- This is supported by Korsching and Allen (2004) who maintain that ‘...mobilisation of local resources around entrepreneurial

efforts go beyond the economic sphere'. They use the Nebraska EDGE program as an example where community capacity building is a driving force behind entrepreneurial facilitation.

- Jackson (2004) presents a number of case studies from Canada that support the validity of community involvement in promoting entrepreneurship.
- The OECD (2004) identifies keys to the success of a network approach linking supply and demand forces:
 - Partnerships – amongst large, private firms, government, universities, intermediary agencies, research institutes and small firms (Triple-Helix model).
 - Clear and transparent management which is flexible and open, not bureaucratic and hierarchical.
 - Soft infrastructure of enterprise support for business development and management training for technology growth and innovation.
 - Polycentric linkage to other key nodes in the innovation system locally and globally.
 - Industrial variety, but not comprehensiveness, to reduce the dangers of monocentric dependence.
 - Intelligence functions aimed at anticipating future needs and opportunities through technology foresight.
 - Advanced telecommunications infrastructure to maximise economies of time and technology foresight.
 - Technology Centres to supply expert services for technology transfer from knowledge-centres such as universities and research institutes to small and large business enterprises and public organizations.

Chapter 6

Capital Growth

In previous chapters we've outlined the three Capital Pillars:

- Psychological Capital (who you are)
- Human Capital (what you know)
- Social Capital (who you know)

Now it's time to take stock of the amount of Capital you have. As a starting point use the following questionnaire to take stock. Place a tick in the appropriate box using the scale from 5 (strongly agree) – to 1 (strongly disagree).

Psychological Capital		5	4	3	2	1
1	I actively seek out new opportunities or new ways of doing things.					
2	I enjoy solving problems and finding out things for myself.					
3	I embrace risks and actively seek ways to overcome them.					
4	I don't need outside recognition to feel that I have achieved something worthwhile.					
5	Suffering a setback just makes me want to work harder to find a solution.					

Human Capital		5	4	3	2	1
6	I have a large amount of practical experience working in my chosen industry.					
7	I am an experienced manager having run my own business before or having been in charge of a profit centre in a company.					
8	I have a degree/diploma from a tertiary institution.					
Social Capital		5	4	3	2	1
9	I am an active member of relevant industry groups.					
10	I have a strong network of business/professional colleagues.					
11	I have people I can turn to for advice and support.					
12	People often seek my advice about professional issues.					

The questionnaire is not designed to produce a total score that gives an indication of the likelihood of success. Instead use it to focus your attention on areas where you feel you need additional support. In the discussion below I outline some things that may help build your Capital.

Psychological Capital

Questions 1 to 5 are about assessing your level of self-efficacy – are you a “glass half full” or “glass half empty” type person? For most of us the answer can depend to a certain extent on when you ask the question!

As a child I was afraid of the dark – worrying about dark shadows in my bedroom or monsters under the bed. It was no good telling me that there were no such things as monsters (what do adults know after all?). The solution was as simple as placing a night light in the room. After a while I could see for myself that I had nothing to worry about.

In business I've found the equivalent of a nightlight was to learn the process of Risk Analysis. This consists of actively searching for risks or problems associated with a particular project; categorising them in terms of how likely they were to occur and then what the consequence would be if they did. Of say 50 issues identified there might only be a few that could end up being "deal breakers". Those few are the ones you need to focus your attention on.

So instead of 50 problems revolving around in your head at the same time, you only have a few that you have exposed as real threats and at the same time minimised them by developing a specific plan.

For me this process works out all my negative feelings and also gives me a sense of achievement.

If this whole area is of concern to you, seek out information or attend seminars that can give you skills to become a positive proactive thinker.

Human Capital

This is a balance between education and experience.

If you have practical skill but lack business skills then it is important to enrol in specific courses in marketing, finance, business planning or whatever. The alternative is to seek out people with those particular skills who can work with you in the business as partners, employees or consultants. However, if you take this route it is still important to learn enough yourself so that you can assess the value of the advice you are given.

I have found that people often spend most time on things they are comfortable doing. I urge you instead to use your existing skills and talents to complete those tasks quickly and well and then devote more time to the others.

Social Capital

Developing a network requires effort and dedication. It is much more than handing out a few business cards at industry functions. In the last couple of years I've worked in three countries and each time have had to build up a list of contacts.

It's only recently I decided that it wasn't necessary to start from scratch each time, so I started to search for colleagues I had worked with over the last 20 years or so. I used www.linkedin.com to find people and was surprised at the number who were keen to link up. However this is only the first step – building up a network requires give and take. The sharing of information and resources (without thought of payment) is the best way of becoming a valued network partner. You would be surprised at the amount of information you might have that others could find useful.

Put together your own network action plan. Consider some or all of the following:

- Join industry groups both local and internet-based ones
- Start a BLOG and use it for regularly sharing your thoughts and ideas
- Use a tool like linkedin to re-establish contact with past colleagues
- Ask people you know for recommendations
- Use the resources of local business advisory organisations to access information
- Establish contact with a mentor or mentors who can guide you in your journey.

A word of warning though, don't just restrict your activities to a single network based around a particular industry. Florida (2002) argues that social capital can work both for and against entrepreneurial development: 'While it can reinforce belonging and community, it can just as easily shut out newcomers, raise barriers to entry and retard innovation.'

Endnote

This book is dedicated to people with entrepreneurial spirit. It's aim is to cause you to take stock of the "capital" you have gathered over your life and the potential value that can create for you. Look for the gaps and actively seek the knowledge and people you need to help you on your journey.

Please feel free to share your own thoughts and contact me via any of the following means:

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Network: <http://au.linkedin.com/in/philipdennett>

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