• Incorrect estimation of the market
• Uncertainty — the market is constantly changing. Even with market research forecasts are only right an upwards of 50% of the time.
• No salary for the owner
• Loss of investment — if the business fails money is lost (both the entrepreneur’s and the investor’s)
• Long hours and high stress
• Disillusionment
• Failure: businesses that end in bankruptcy or changing ownership
• Discontinuances: firms that close with no outstanding debt

• Types of entrepreneurs, p.16 (Matching exercise).
  • The home-based entrepreneur
  • The traditional entrepreneur
  • The serial entrepreneur — once a company is operating smoothly the entrepreneur moves on to the next adventure.
  • The corporate venture — an individual who works at a large corporation and acts in an entrepreneurial way by developing new product ideas, spinoff companies. Do not risk their own capital.
  • The opportunistic entrepreneur — looking for a business that will make money very quickly rather than a business surrounding something they are passionate about.

Chapter 2

• Mission / vision / core values
  • Core Values: fundamental beliefs that the business holds about what is important in business and in life in general
  • Mission: a statement of a clear and compelling but broad goal that serves to focus effort.
  • Vision: a bold view of what the company can become

• Barriers to entry, p. 35
  • Economics of scale: difficult to compete with larger businesses due to production costs
  • Brand Loyalty
  • Capital Requirements: costly to start up production
  • Switching Costs: in order to get a customer to switch from one product to another, they may have to learn new technology or train their staff.
  • Access to Distribution Channels: difficult to get distributors to accept a new business.