

- 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 products, divisions, or 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.

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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.