

# MGG 150 Chapter 6

Thursday, September 30, 2021 10:20 AM

## Entrepreneurship:

- An entrepreneur is a person that accepts the risks of starting and running a business
- Has a passion and/or sees a need to be filled
- Oftentimes frustrated by working in a corporate setting
- Desire to be the boss
- Entrepreneurs are a major source of new jobs in the US
- Anyone can be an entrepreneur

## Steps to Starting a Business:

1. Determine what you want to do and set up the business form
2. Develop a vision and mission statement
3. Determine values
4. Set goals – short and long term
5. Prepare a strategic business plan
6. Raise capital (money)
7. Recruit people
8. Make people aware of your business – marketing
9. Do your thing – produce and sell your product or service
10. Track how you are doing

## Vision and Mission:

### **Webster's Simple Definitions:**

#### Vision:

- the ability to see; sight or eyesight
- Is something that you imagine; a picture that you see in your mind
- Is something that you see or dream especially as part of a religious or supernatural experience

#### Mission:

- Is a task or job that someone is given to do
- a specific military or naval task
- a flight by an aircraft or spacecraft to perform a specific task

## Vision Statement:

### Purpose:

- Tells where a business is going.
- States what a business wants to be.
- Defines the optimal desired future state of what a business wants to achieve.
- Provides guidance as to what a business is attempting to achieve.

### **Characteristics of a good vision statement:**

1. Inspirational
2. Memorable
3. Clear
4. Concise
5. Paints a mental picture
6. Easy to repeat
7. Long term view

### **Summary**

- A statement describing the clear and inspirational long term desired change resulting from a business's work

**Vision = Someday**

### **Mission Statement:**

#### **Purpose:**

- Tells why a business exists.
- States what a business does, who it does it for, and how it does what it does.
- Defines the purpose of a business.
- Provides guidance as to what a business is attempting to achieve.

### **Characteristics of a good mission statement:**

1. Operative – drives initiatives
2. Provides direction
3. Memorable
4. Clear
5. Concise
6. Simple language
7. Shorter term view than a vision statement

### **Summary**

- A statement describing the reason a business exists and used to help guide decisions about priorities, actions, and responsibilities.

**Mission = Everyday**

### **Business Values:**

- Should be essential and unchanging
- Guiding core principles
- Helps determine priorities
- Guides leadership on how and where to direct the business
- Things that are important to the business

### **Setting Goals:**

- What do we want to accomplish?
- SMART Goals

**S**pecific

**M**easurable

**A**chievable

**R**ealistic/Relevant

**T**ime-bound

- Results-focused and attainable
- Timeframe
  - Short and Long Term
- Need to be flexible as changes occur
- Goals should lead to your mission

### **Strategic Business Plan:**

#### **The 5 W's and How:**

1. Why?  
Vision and mission
2. What?  
Products and services offered
3. Who?  
People in the business and stakeholders
4. When?  
Timeframe
5. Where?  
Location and scope
6. How?  
Operations and funding

A successful strategic business plan includes the following information:

1. Vision and Mission
2. Values
3. Goals
4. Business description
5. Products and services offered
6. Marketing plan (Chapters 13 – 16)
7. Sales plan (Chapters 13 – 16)
8. Operating plan (Chapter 9)
9. Financial plan (Chapters 17 – 19)
10. People in the business (Chapters 9 – 11)
11. Stakeholders (Chapter 1)

### **Raising Capital:**

#### **Short Term:**

- Personal savings
- Borrow from family and friends