# Exploring Entrepreneurship

Most people earn a living by working in a business. A business is an organization that provides goods or services, usually to make money. A person who works in a business owned by someone else is an employee of that business. On the other hand, someone who creates and runs his or her own business is called a business owner.

Owning a business isn’t for everyone. But that’s OK because both employees and entrepreneurs are needed in the world of work. Whether or not you become a business owner, understanding entrepreneurship can help you in any career you choose.

## What Is Entrepreneurship?

Entrepreneurship is the process of starting a new business. It may mean thinking of, creating, and developing a brand-new product or service. For example, you might develop a new type of fuel for powering automobiles, or a new method of fitness training. It may also mean creating a new business to sell an existing product or service, such as opening a new restaurant or selling online jewelry that you design and create yourself.

Entrepreneurship is not easy. More new businesses fail than succeed. Just having a good idea is not enough. Entrepreneurs must be motivated to work hard. They must have the skills to identify challenges and find solutions, including raising money and other resources. They must also be able to determine whether a risk has a better chance of bringing rewards, or causing failure.

## Thinking like a Business Owner

Thinking like a business owner and being aware of how to make a business run more successfully can help you do well at school, home, and in your community, as well as at work for someone else. Successful entrepreneurs know how to come up with an idea and then set up a plan to make it reality. They set goals, manage their time effectively, and are 100 percent committed to their plan.

When you think like a business owner you show that you are creative, independent, and responsible. In school, you participate, pay attention, and show respect. As an employee, you treat someone else’s business as if it were your own. Employers often promote employees who think entrepreneurially. Here are three ways to think like a business owner even when you are not running your own business.

* Observe. Keep on the lookout for chances to learn new skills and accept new responsibilities. At work, staying aware of what goes on around you can help you identify new ideas for business growth, such as new products or services that customers may need or want.
* Listen. Pay attention to what others have to say. Your classmates may have a different view of things. Challenges that other employees are facing may give you ideas for making business improvements.
* Think. Instead of complaining about a problem, analyze it. Then suggest possible solutions.

# Recognizing Entrepreneurial Risks and Rewards

Being a business owner has benefits and drawbacks. It involves risk—but not being risky. Risk refers to the chance of danger or loss. In terms of business, it usually refers to the risk of losing money. Being risky means acting in a way that puts you or your belongings at risk. In business, being risky usually refers to taking unnecessary chances with your money.

As business owners, entrepreneurs are in control of the money made by their business. They also have the final say in all business decisions. As a result, entrepreneurs are ultimately responsible for the success or failure of their businesses. It is a lot of responsibility, but it can also bring a lot of rewards.

You might think of many reasons to start your own business. Before doing so, however, it’s a good idea to consider the pros and cons of being a business owner. The key is evaluating whether the potential rewards are worth more to you than the drawbacks and risks you will take.

## What Are the Rewards?

Of course, entrepreneurs want to make money. A successful business lets you earn enough so that you fulfill your needs and wants without depending on others. If the business grows, entrepreneurs can create even greater wealth by selling it for more money than they used to start it. They may even be able to use the money from the sale to start another business.

In addition to the financial rewards, entrepreneurs can benefit in other ways.

* Entrepreneurs achieve pride and personal satisfaction from starting and growing a business. Not only do you have freedom and independence, you also display your skills and abilities for your family and friends to see. Entrepreneurs also feel excitement and joy from taking a chance and trying something new.
* As a business owner, you get to make your own rules. Depending on your business, you can decide what type of schedule you work, where you work, and how and when you get paid. You also have the final word on which products or services the business provides and how they are provided. For example, when you have a creative idea, you have the power to put that idea into action.
* Being a business owner opens up opportunities that help make your community and the world a better place in which to live. Entrepreneurs often start a business because they see a need in the community. They might start small, but if the business succeeds, they are soon creating jobs, paying taxes, and giving back by donating time and money to worthy causes.

## What Are the Risks?

When a business owner starts a new business, risk is involved. Risk is the chance of losing something. A business owner invests money, time, and energy in his or her business in the hope of receiving greater rewards, or benefits. Being fully responsible means the success or failure of your business rests on you. Even if you make all the right decisions, the business might fail. In that case, you may walk away with nothing—or worse, debt, which is money you owe to others. The failure can affect your family and friends, too. They may lose money they invested in the business, and they may suffer from stress.

Other risks include unexpected problems, unreliable income, and time away from family and friends.