

Entrepreneurial Behavior



Objectives

- Understand how *entrepreneurial behavior* results from the entrepreneurial mindset and motivation
 - Confidence
 - Interpersonal relationship skills
 - Social capital
 - Risk tolerance

The Opportunity Analysis Canvas™

ENTREPRENEURIAL MINDSET Achievement Individualism Control Focus Optimism		ENTREPRENEURIAL MOTIVATION Self-efficacy Cognitive motivation Tolerance for ambiguity		ENTREPRENEURIAL BEHAVIORS Confidence Interpersonal relationship skills Social capital Risk tolerance	
MACROECONOMIC CHANGES	INDUSTRY CONDITIONS		COMPETITION		OPPORTUNITY IDENTIFICATION
	INDUSTRY STATUS		VALUE CURVE		

Confidence

- Important for entrepreneurs to believe in themselves and their abilities
 - Balanced by the reality of the tasks at hand
- May require going against the norm
 - Popular opinion
 - Advice of friends and family
- Self doubt can result in doubts from your team, partners, investors, customers, etc.

Interpersonal relationship skills

- Driven by your likeability and communication skills
- Influences your ability to connect with individuals...
 - and to connect with their connections
- May be a natural skill for you...
 - or require a level effort ...
 - and/or personal study and development

Social capital

- Refers to the resources available in and through personal and professional networks
 - Who you know, and who they know
- Richness depends on the size, quality, and diversity of your networks

Why build social capital?

- People with rich social capital are:
 - Better informed
 - More creative
 - More efficient
 - Better problem solvers
- With the right networks, people:
 - Save time because they know where to get the information they need
 - Foster cooperation and collaboration

Risk tolerance

- Addresses your willingness to accept risk
 - Which is different than a *desire* for risk
- Entrepreneurs are no more likely to take risks than non-entrepreneurs
 - But entrepreneurs do *perceive* risk differently
 - Risk is in the eye of the beholder
- Consider the risk-reward balance, and your potential to return to the status quo

Summary

By understanding the components of the *entrepreneurial behavior*, you can assess and enhance your own.

- How high are the risks?
- What are the rewards?
- What are the consequences?
- Were all elements of the decision considered?

For next time, review chapter 5 of
“The Opportunity Analysis Canvas”

